RESULTS REVIEW AND RESOURCE REQUEST



USAID/Honduras

March 2000

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USAID/HONDURAS MEMORANDUM

DATE: March 31, 2000

TO: Carl Leonard, Acting AA/LAC

FROM: Elena Brineman, USAID/Honduras

SUBJECT: Submission of Honduras Results Review and

Resource Request for Fiscal Year 2002



USAID/Honduras hereby submits its Results Review and Resource Request for Fiscal Year 2002. The attached document provides a review of progress achieved over the last year, identifies areas that need additional attention over the next few years, and provides the justification for resources requested as part of the normal budget process for FY-2002.

In general, the USAID/Honduras program is on track and making steady progress toward achieving its results. This was a challenging year for the Mission as we implemented a \$100 million hurricane response and rehabilitation program with reprogrammed funds while keeping the regular program on track. Concurrently, we designed a \$291 million supplemental-funded hurricane reconstruction program in record time and moved rapidly into implementation. We also worked with 13 other U.S. Government Agencies in designing and starting their reconstruction programs, carried out an intensive donor coordination effort in the wake of the Stockholm Consultative Group meeting, and prepared for a range of visitors, including President and Mrs. Clinton, Mrs. Gore, Senators and Congresspersons and their staffs, U.S. Cabinet members, the GAO, and the USAID Administrator and Assistant Administrator. All this was accomplished with little increase in staffing levels and the Mission turned over 12 of the 14 USDH positions between October 1998 and October 1999. Our success was due to the extraordinary commitment and talent of the USAID/Honduras staff. We are now seeing the arrival of additional staff required to effectively manage the expanding program and we are fully into implementation of the supplemental funded reconstruction program.

Honduras has made major progress in recovering from the devastation caused by Hurricane Mitch and USAID/Honduras has contributed significantly to that progress. As the supplemental-funded program moves rapidly into implementation, the Mission is poised to make a considerably greater impact on Honduran reconstruction and transformation. Unfortunately, the timeframe imposed upon the U.S. reconstruction effort is limited and there are important activities that are being initiated under the supplemental-funded program that need further support after that period or their impact and sustainability will be limited. Last year the Mission requested additional budget resources above the control levels for FY-2001 to address these needs. Apparently those resources will not be available in 2001 so we are renewing our request for additional funds in FY-2002 in the amount of \$19 million over the control levels. Reconstruction in Honduras will last more than 2-3 years and the effort to "build back better" and bring about a transformation in Honduras requires a longer-term USAID effort with significant resources. Moreover, these resources are critical if USAID is to play a significant role in supporting the GOH Poverty Reduction Strategy, so essential to HIPC.

Though much of the attention on Honduras has focused on the hurricane reconstruction effort, the landmark passage of a new Criminal Procedures Code (CPC) in December, 1999 represents the start of a major reform process in the justice sector. Preparing the country for implementation of the new code requires a massive training and technical assistance effort that will need USAID support for activities not previously anticipated. Though additional resources to finance some of these activities are a part of the 2002 request, there is an urgent need for additional resources now and in 2001 and 2002 to support implementation of the CPC. We are requesting an additional \$2 million for FY-2001 above the Congressional Presentation level and an additional \$2 million above control levels for FY-2002. If DA funds are not available we request an ESF allocation to meet these needs.

Moreover, the experience in other countries and in the Honduran juvenile courts where a transition to oral trials has taken place suggests that a major stumbling block to implementation of the new CPC will be the ability of the police to carry out proper investigations and present evidence and witnesses at trial. Given the importance of all actors working effectively to make the new system work, and the serious needs of the police for training and equipment, **USAID/ Honduras supports** the allocation of a minimum of \$1.5 million in ESF for justice sector needs during 2001 and 2002 to equip and train the police through ICITAP.

In looking beyond the initial supplemental-funded reconstruction effort it has become abundantly clear that the Mission strategy approved in 1997 is no longer relevant in many areas. Hurricane Mitch has significantly changed the context for development in Honduras and the new directions already being implemented under the USAID reconstruction effort imply changes for the future USAID/Honduras program. We intend to submit a new strategy in November, 2000 for Washington review in December prior to finalizing the Agency Congressional Presentation. We suggest scheduling a parameter-setting meeting with Mission representation in June to help orient this strategy effort.

We expect the revised strategy to be heavily oriented toward transformation in Honduras building upon the reconstruction process and the impetus for reform in various sectors. We also plan to develop our revised strategy to support the Government of Honduras' Poverty Reduction Strategy being developed in the context of the HIPC initiative. The implications of these themes and the initial thinking of the Mission in each sector are discussed in relation to each of the Mission strategic objectives in this R4 submission. We intend to undertake a participatory process of more thorough analysis and consultation in developing the strategy submission over the next several months.

This post-Mitch strategy effort also has major implications for Mission staffing and operating expenses. Mission staffing has increased necessarily to manage the major increase in funding for reconstruction. Staffing will drop, but still remain above pre-Mitch levels as supplemental funds phase out and the Mission will have additional OE needs beyond the control level in 2002 as reconstruction follow-up programming is implemented as part of the new strategy.

USAID/Honduras has developed a program in support of reconstruction that will have a major impact in Honduras. There is a new political opening in Honduras for significant reform and reducing poverty. Providing additional resources in line with a new strategic focus will allow us to help Honduras move beyond merely restoring the status quo toward the transformation of Honduran society. We have already begun to make a major contribution to such a transformation and we are prepared to take the necessary further steps if additional resources are forthcoming. We appreciate your support in this effort.

TABLE OF CONTENTS

Overview	1
USAID/Honduras Strategic Framework	9
USAID/Honduras Accomplishments	10
522-SO01 – Economic Reactivation Meeting the Needs of the Poor	12
522-SO02 – Improved Management of Watersheds, Forests, and Protected Areas	19
522-SO03 – Sustainable Improvements in Family Health	25
522-SO04 – Strengthened Rule of Law and Respect for Human Rights	34
522-SO05 – More Responsive and Effective Municipal Governments	39
522-SO06 – Improved Opportunity to Obtain Basic Education and Vocational Skills	50
522-SpO - USAID/Honduras Critical Hurricane Reconstruction Needs Met	57
Resource Request	62
Workforce and Operating Expense Resources	64
FY 2000 Budget Request by Program/Country	
Accessing Global Bureau Services Through Field Support and Buy-Ins	
USDH Staffing Requirements by Backstop	
Operating Expenses	
Capital Investment Fund	
Controller Operations	
Annexes	
Annex I Environmental Compliance	
Annex II Updated Results Framework and R4 Indicators	
Annex III Glossary of Acronyms	

OVERVIEW

Over the last year, USAID/Honduras has made an enormous contribution to recovery and reconstruction in the aftermath of Hurricane Mitch that has helped move Honduras well on its way toward building back what was damaged or destroyed. As the supplemental-funded reconstruction program moves into full implementation, the program will make a comprehensive contribution to the reconstruction effort in key areas and lay the groundwork for a more profound transformation in Honduras. It is clear that the kind of transformation envisioned by Honduran and U.S. political leaders in developing and funding the hurricane reconstruction program cannot be accomplished in the limited timeframe imposed on the use of supplemental funds. Therefore, a key issue in this Results Review and Resource Request for 2002, is the need for additional funding for follow-on programs to solidify the impact of supplemental-funded activities. As the Mission looks to the future, a revised strategic vision is required to incorporate these follow-on reconstruction needs and respond to changed circumstances and priorities after Mitch.

Factors Affecting Performance – The impact of Hurricane Mitch has been the primary factor affecting Mission performance in 1999. Though the Mission had adjusted most targets to reflect the impact of Mitch on achievement of results, responding to the hurricane required more energy and attention of USAID staff and counterparts than anticipated. Nonetheless, most adjusted targets were met and the resilience and dignity of Hondurans have been demonstrated in their progress in meeting immediate needs and beginning the monumental task of reconstruction. The Government of Honduras (GOH) has been effective in articulating the priorities for reconstruction and mobilizing efforts to move forward. Efforts have been made to consult with representatives of civil society in the reconstruction planning process and the GOH has increasingly recognized the role of municipal governments in responding to local needs, promoting reconstruction, and preventing and preparing for future disasters. The GOH has also committed itself to transparency and accountability in the reconstruction process. These trends support USAID initiatives and lay the groundwork for longer-term changes in the relationship between Honduran citizens and their government.

The economy is showing initial signs of recovery from the major losses caused by Mitch in productive sectors. The 1.9% drop in real GDP in 1999 was less than anticipated and inflation and the fiscal deficit increased less than expected. But unemployment increased and poverty increased slightly to 68% of households. The GOH now estimates that in 2000 total GDP will grow by 5-6%, the fiscal deficit will fall to about 4% of GDP, total exports will increase by 10%, unemployment will decrease, and overall poverty will decrease to about 64% of households. Based on export projections and other economic trends for 2000, it is anticipated that Honduran exports will reach their pre-Mitch levels by the end of 2002. These optimistic projections reflect the country's success in avoiding an economic collapse in the aftermath of Mitch through consistent commitment to freemarket policies, timely financial support to the productive sectors affected by Mitch, and massive donor assistance and debt relief to support post-Mitch reconstruction. Over the past 20 years, however, there has been virtually no reduction in the percentage of the population living in poverty and real GDP per capita has remained stagnant. As part of efforts to obtain further debt relief, Honduras has applied for HIPC status which, in turn, has led to a policy focus on poverty reduction as the country develops the required Poverty Reduction Strategy. This process is expected to have a major impact on GOH policy and programs and will require significant support from donors.

A surprising phenomenon in the aftermath of Hurricane Mitch has been the emergence of reform movements in the education, health, and justice sectors. The Honduran public and key political figures have recognized the need for fundamental changes in these areas and are developing support for proposals addressing some of the most serious problems facing these sectors. As Honduras enters into an election year in 2001, the viability of these reform efforts in the short term

is uncertain but they are already a part of the political debate and are likely to serve as a foundation for change in a future administration.

Donor coordination has emerged as a critical factor in addressing important reconstruction issues. The Consultative Group process has provided an important impetus to donor coordination efforts by designating a Group of Five (Sweden, U.S., Canada, Spain, and Germany), now expanded to eight (Japan, IDB, and UNDP), to take responsibility for organizing donor coordination efforts. This group has developed a working technical level group made up of the heads of development cooperation agencies and organized sector groups in each major area of the reconstruction effort to raise issues and assure coordination. These groups have also been charged with assuring the application of the Stockholm principles (including transparency/ accountability, decentralization, civil society participation, attention to environmental issues, poverty alleviation, and attention to human rights and vulnerable minorities) in the reconstruction effort. Donor coordination has been especially important in developing an oversight program to help address potential corruption. USAID has worked closely with the IDB and other bilateral and other donors to develop a special "Project Inspector" to monitor procurement and implementation through an international firm. Donor pressure helped assure GOH commitment to this effort.

Summary Progress in Implementing Approved Strategic Plan - Many of the Mission's most impressive accomplishments over the last year go beyond the approved strategic plan as resources were reprogrammed from planned Mission activities, available child survival resources, OFDA, OTI, food aid programs, and local currency accounts to meet immediate recovery and rehabilitation needs after Hurricane Mitch. Nonetheless, the ongoing sustainable development program was generally successful in meeting targets over the last year and making considerable progress toward results. Based on approval from Washington to begin managing the program under a revised strategic framework, this R4 is presented under the six strategic objectives proposed last year, plus the Hurricane Reconstruction Special Objective. Highlights of performance in each area include:

- **SO-1, Economic reactivation meeting the needs of the poor** Mission policy support to key GOH entities has been critical to the development of the GOH Master Plan for Reconstruction and Transformation and maintenance of a solid macro-economic policy framework conducive to private investment and reactivation. Reprogrammed funds to recapitalize microfinance institutions financed over 9,000 loans for Mitch-affected micro-entrepreneurs and helped them get back on their feet.
- **SO-2, Improved management of watersheds, forests, and protected areas** The Mission terminated assistance to the state forestry authority based on lack of compliance with required actions and concerns about corruption. Funds were reprogrammed with the National Forestry School to support supplemental-funded watershed management activities. NGO activities to support management of protected areas are on target.
- **SO-3, Sustainable improvements in family health** Major epidemics in the aftermath of Hurricane Mitch were avoided. Most major targets were met or exceeded; though couple years of protection (CYPs) fell short of targets, they increased by 5%. The Mission's health reform initiative gained momentum with the appointment of a reform-oriented Minister of Health and a USAID resident advisor providing technical support and initiative to the health reform effort.
- **SO-4, Strengthened rule of law, accountability, and respect for human rights** Passage of the new Criminal Procedures Code in December culminates more than five years of intense support for this landmark reform. Its passage, and dismal performance by a highly politicized court, have stimulated new interest in constitutional reform to promote greater judicial independence. The Public Ministry continues to be a solid institution, steadily increasing the number of cases prosecuted.

SO-5, More responsive and effective municipal governments – Municipalities have been at the forefront of Mitch relief and recovery efforts, which depleted their financial resources. Central government recognition of their role led to a transfer of \$7 million in reconstruction funds for municipal projects, but less than 40% of the required annual 5% budget transfer was made last year. USAID-sponsored technical assistance has helped municipalities deal with dramatically increased responsibilities and promoted increased participation in reconstruction decisions. Emergency repairs have restored many basic services but permanent reconstruction of damaged infrastructure, while underway, will take time to complete.

SO-6, Improved opportunity to obtain basic education and skills – A surprising outcome of the impact of Mitch on the education system is the emergence of an education reform movement addressing major problems in the system. Mission-supported alternative education programs are recovering from the disruption caused by Mitch and expanding to reach resettled populations. Implementation problems in the vocational education program have been resolved and activities are getting back on track. A USAID-facilitated agreement to provide private vocational centers a portion of proceeds from payroll tax revenues allocated to government vocational training will help private centers cover instructor salaries and operational costs and dramatically improve sustainability.

Special Objective, Critical Hurricane Reconstruction Needs Met – As of March 31, 2000 over 97% of the \$291 million in supplemental funds will have been obligated. The Mission completed eleven major designs in record time and developed procurement documentation concurrently to move rapidly into implementation. As of March 31, more than 83% of the \$291 million (\$242) million) will be in the hands of implementing enties. Significant progress has already been made. Transitional shelters are still housing more than 14,000 persons and NGO permanent housing programs are now under construction. Contracts for more than \$17 million in rural road and bridge construction have been signed and contractors are mobilizing. Agricultural credit and technical assistance is being provided through NGOs to small and medium producers. Rural water and sanitation systems are under construction. Designs are completed and bidding underway for construction of major urban water and sanitation systems and new storm drainage systems. Work is underway to expand alternative education programs to Mitch-affected areas. The EDUCATODOS program for grades 7-9 will be officially launched in April. Most of the other USG Agencies with complementary resources programmed to help achieve USAID objectives have begun implementation. Disaster preparedness and risk management planning and training is underway. In other areas, implementing entities are mobilizing and are moving forward rapidly.

Significant Changes - As noted in last year's R4, the Mission strategy approved in 1997 is no longer relevant to the post-Mitch development needs in Honduras. The supplemental-funded reconstruction program has already moved the Mission into new directions and the limited timeframe established by Washington for implementing supplemental-funded activities creates a need for significant changes in the Mission program. USAID/Honduras requests LAC Bureau approval for the following:

• Increased funding for reconstruction follow-on activities in 2002 – Last year USAID/ Honduras requested an additional \$25 million in resources for 2001 for critical follow-on activities in the areas of agriculture reactivation, watershed management, water and sanitation, disaster management, and municipal development, and rule of law/accountability. Since these additional funds were not approved for 2001, they will be needed in 2002 and we are requesting an additional \$19 million above the control level. Without additional funding, the sustainability and impact of some elements of the supplemental-funded program may be limited. In addition, we have urgent needs for additional funds to support major reforms in the justice sector now and in 2001 and 2002.

• Strategy revision – AA/LAC provided limited approval for the Mission to proceed with changes to the Strategic Objective structure of the program in order to facilitate management of the combined DA/supplemental program. However, the full strategy has not yet been revised to reflect the changed context for development in Honduras after Mitch, nor the need for follow-up where new activities were funded with supplemental funds. Current health, population, and education programs are ending this year and the Mission has already begun the strategic thinking required for appropriate designs in these areas. Changed opportunities in other areas also suggest a renewed look at the strategic approach. USAID/Honduras requests approval to submit a new strategy in November, 2000 for review in December prior to finalizing the Agency Congressional Presentation. This will allow the incoming Mission Director to oversee the final stages of strategy development. We suggest scheduling a parameter-setting meeting with Mission representation in early June to help orient this strategy effort.

The discussion of each strategic objective below includes a section on future directions in each sector that represents current thinking about what USAID should focus on over the next five years. Over the next few months, the Mission will engage in further analysis and consultation with development experts, counterparts, partners and other donors. It seems clear at this point that the primary themes orienting the revised strategy will be transformation growing out of the reconstruction process and support for the Honduran government's Poverty Reduction Strategy, now being developed as part of the process of qualifying for HIPC debt relief:

- Transformation While supplemental-funded activities lay the groundwork for a
 fundamental transformation in Honduras, important follow-on actions must be taken to make
 that transformation a reality. Emerging reform movements in education, health, risk and
 disaster management and the justice sector, for example, offer hope for major changes with
 far-reaching implications. Once reforms are accomplished, activities to implement them
 must be supported to make them effective. The new strategy must address these needs.
- Poverty Reduction The HIPC process has raised the profile of poverty reduction in Honduras and promised to bring concerted GOH and donor attention to this issue. Given the comprehensive nature of the 15-year Poverty Reduction Strategy, much of the USAID portfolio can make a major contribution to poverty reduction goals. The revised strategy will identify and prioritize activities that support the GOH poverty reduction effort.

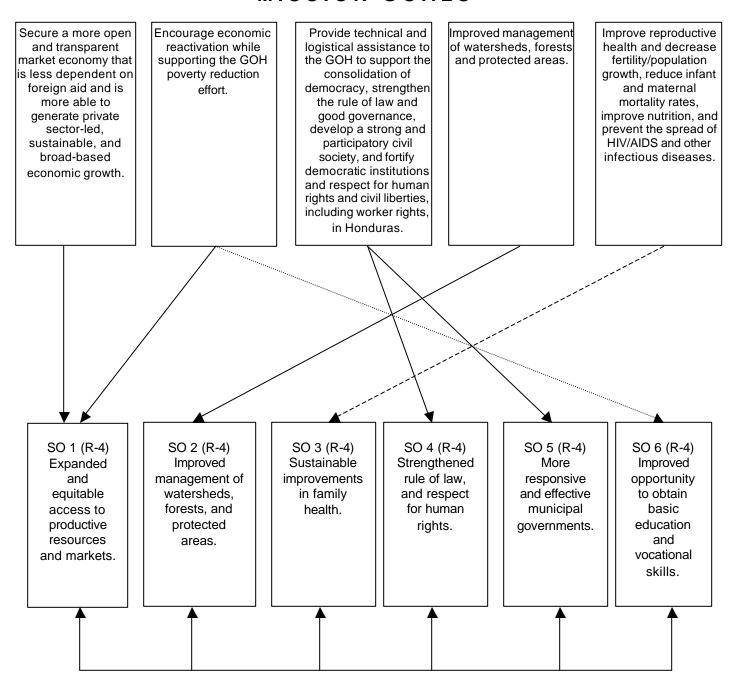
As the Mission develops its post-Mitch strategy, issues of staffing and operating expenses will become critical given the phase-out of supplemental funding. The Mission is only now becoming fully staffed to manage the reconstruction program (the major achievements of the past year were accomplished with little increase in staff and a major turnover in USDH staff). Given the needs for follow-on programs and an updated strategic focus, the Mission cannot drop back easily to pre-Mitch staffing levels. These issues should be discussed as part of the revised strategy review.

Prospects

The Honduran saying, "no hay mal que por bien no venga" (there is no bad from which good cannot come) seems to apply to Honduras in the aftermath of Hurricane Mitch. The tragedy seems to have shocked the country into coming to grips with the need for fundamental reform and changes in the way things are done. Donors at the recent Consultative Group meeting noted the tremendous progress being made to reconstruct the country and how much more open the GOH has become with civil society and local governments. There is still much to be done, but a good start and a commitment to transform the country, backed up by solid action, suggest that prospects are excellent for major development progress.

USAID/HONDURAS STRATEGIC FRAMEWORK

MISSION GOALS



USAID Objectives

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1999 USAID/Honduras Accomplishments

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Microenterprise recovery: Rapid implementation of the \$ 3 million Microenterprise Recovery Fund helped finance some 9,000 loans for micro-entrepreneurs affected by Mitch and helped move that sector well on the way to recovery.

Seed/planting material distribution: Development and distribution of improved plantain seedlings benefits over 500 poor farmers. Distribution of improved seeds to coconut and cassava growers especially benefits the north coast Garífuna communities. Tío Canela red bean seeds, a high-yield, pest-resistant variety planted in El Zamorano to replace bean seed lost in Mitch, were distributed to growers through NGOs for the May planting season. Immediately after Mitch, small grain producers received credit to purchase seeds, fertilizers, pesticides, and other inputs in order to replant quickly before the end of the rains. The resulting "second harvest" helped keep overall production near normal.

Economic reactivation: Economic policy assistance helped the GOH maintain a macro-economic policy framework conducive to private investment and reactivation and maintain monetary and fiscal stability.

Shelters and permanent housing for the displaced: Transitional shelters and emergency start-up kits helped meet the basic needs of over 25,000 homeless people. Temporary water, sanitation service and drainage systems for some 4,000 households at five large housing relocation sites in 5 municipalities are under construction and roads and drainage systems have been constructed for some resettlement areas.

Repairs to water supply and sanitation systems: Emergency repairs were made to restore water to 75% of Tegucigalpa's population and in 37 other cities by the National Water and Sanitation Authority (SANAA) immediately after the hurricane. Some 413 rural water systems were rehabilitated through grants to seven NGOs. Restoration of 138 water systems in secondary cities, small towns and rural areas, benefited 637,554 people in 62 municipalities. Ten sewage systems in secondary cities were temporarily repaired to remove raw sewage from city streets.

Prevention of famine and epidemics: A total of 1,000,000 people received food through USAID-funded World Food Program, CARE, and Catholic Relief Service. Emergency repairs were made to 123 health centers through PAHO and the Ministry of Health. A major replacement of cold chain and transport equipment was implemented to maintain high vaccination rates for the national immunization program.

Reconstruction planning: Assistance to the GOH in developing its Master Plan for Reconstruction and National Transformation helped them secure approximately \$2.8 billion in commitments from donors at the Stockholm Consultative Group.

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Education back on track: USAID support of the transitional shelter program allowed families to move out of school buildings so the school year could start on time in early March 1999, only one month later than scheduled. A movement for education reform began as a result of the Mitch crisis. USAID, along with other donors, has supported efforts to develop societal consensus and broad-based support for education reform measures. Alternative basic education programs through EDUCATODOS have been established in transitional shelters and resettled housing areas.

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Reduced forest fire damage: The incidence of forest fires was reduced in 1999. USAID financed training for more than 200 firefighters and provided radio communication equipment and vehicles.

Improved emergency response capability: USAID assisted in the reestablish-ment of COPECO as a coordinating entity working with local governments, NGOs, and the private sector during emergencies. COPECO was effective in managing and coordinating resources in the fall 1999 flooding disaster. OFDA funds contributed to the establishment of a COPECO Emergency Operations Center. USAID financed training events in disaster preparedness for municipal officials, NGOs, firefighters and other disaster response entities.

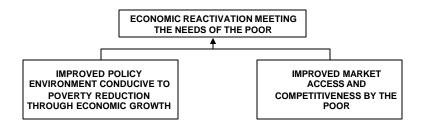
Protection of the environment: A complete sustainable management and development plan was prepared by a local NGO for Jeanette Kawas National Park, which has a total area of nearly 15,000 hectares and includes fragile wetlands along the north coast which were heavily damaged by the Hurricane.

Passage of new Criminal Procedures Code: A new Criminal Procedures Code (CPC) was finally passed on December 15. The new code will transform the Honduran inquisitorial criminal justice system to an oral adversarial one. This is considered a mayor victory in the struggle to bring real structural reform to the Honduran justice system.

Municipal government strengthened: USAID-assisted municipalities demonstrated their responsiveness in effectively addressing immediate relief needs of their citizens and supporting post-Mitch rehabilitation and reconstruction efforts. USAID financing helped 18 municipalities carry out clean-up and street repair/drainage projects.

Geographic information developed to mitigate disasters: USGS installed four streamflow monitoring stations on major rivers and tributaries above major population centers for flood warning and water management purposes (e.g. Rio Grande, Rio Guacerique, Rio Choluteca, and the Rio Ulua) which were used during the fall 1999 floods to evacuate populations, protect property, farming equipment and towns downstream. USGS collected survey data and estimated peak discharge during Mitch flooding on all the major rivers in Honduras for use in design of infrastructure and flood risk mapping.

USAID/Honduras ECONOMIC REACTIVATION MEETING THE NEEDS OF THE POOR – 522-S001



USAID/Honduras Self-Assessment: On Track - After adjusting targets last year to reflect changed expectations after the devastating blows dealt the economy by Hurricane Mitch, the Mission is basically on track in achieving results that contribute to economic growth and poverty reduction. USAID has had an important impact on the process of analyzing policy options in Honduras that has helped avoid major backsliding in the aftermath of Hurricane Mitch and create a foundation for reconstruction, economic reactivation, renewed growth, and poverty reduction. Rapid implementation of the \$3 million Microenterprise Recovery Fund helped finance some 9,000 loans for micro-entrepreneurs affected by Mitch and helped move that sector well on the way to recovery.

Summary - This SO contributes to the Agency goal of achieving broad-based economic growth and the MPP objectives of securing a more open and transparent market economy and encouraging economic reactivation while meeting the needs of the poor. Poverty, especially in rural areas, is the foremost long-term economic problem facing Honduras today. The economy grew slowly over the past decade (at a rate only slightly exceeding population growth), gradually reducing the overall poverty rate to 63% in 1997. Although the country was moving toward vigorous growth rates and making some progress in addressing poverty. Hurricane Mitch wreaked widespread devastation, dealing a significant setback to economic growth and poverty reduction efforts. Those most severely affected were the poor majority already living a marginal existence. Many businesses and agricultural producers of all sizes lost everything or sustained major damage. Unemployment increased as small businesses collapsed and 70-80% of agricultural production was destroyed. Economic growth projections were adjusted downward in the aftermath of the hurricane, and the decline in agricultural and forestry exports has negative implications for the national poverty rate and unemployment. In this context, maintaining monetary and fiscal policies which are conducive to economic growth is extremely difficult. USAID efforts have focused on providing support for expert policy analysis to help the GOH develop an effective policy framework for reconstruction, reactivation, and poverty reduction. USAID has also focused on helping micro, small, and medium entrepreneurs and farmers gain access to information, services, and markets.

Key Results – Honduras generally maintained a free-market policy framework in the face of major damage to productive sectors and general disruption caused by Hurricane Mitch and developed a well-regarded reconstruction plan that generated massive donor assistance. Investment, employment in key sectors, and the value of key exports met adjusted targets. The percentage of small and micro enterprises receiving financial services from USAID-assisted entities increased to projected levels and default rates were reduced to targeted levels.

Performance and Prospects - In spite of major losses in the productive sectors caused by Mitch, economic indicators for 1999 suggest that the Honduran economy is beginning to recover. GDP losses at –1.9% were less severe than the –3% projected, inflation has increased less than expected (11% compared to projections of 15% - an improvement over 1998 inflation levels), export losses compared to 1998 were slightly less than projected (22% compared to 22.5%), and the fiscal deficit increased less than expected (to 6% rather than 8% of GDP). Nonetheless, unemployment increased and poverty increased slightly to 68% of total households. USAID revised targets for employment in the agriculture, industrial, and trade sectors were met, though male employment levels below the target were balanced by better than expected female employment levels. The GOH now estimates that in 2000 total real GDP will increase by 5-6%, the fiscal deficit will fall to around 4% of GDP, total exports will increase by 10%, unemployment will decrease, and overall poverty will decrease to about 64% of total households. Based on the export projections for 2000 and 2001, it is anticipated that Honduran exports will reach their pre-Mitch levels by the end of 2002.

Avoidance of a complete collapse of the economy in 1999 can be primarily attributed to the Government's commitment to maintain an open economic policy environment, timely financial support to the productive sectors affected by Mitch, and massive donor assistance to support post-Mitch reconstruction and transformation of the Honduran economy. Nevertheless, the financial sector performed poorly last year, falling by 6.3% in real GDP terms. Commercial lending rates stayed high (34-36%) and a major commercial bank, Bancorp, went bankrupt. In the wake of the Bancorp failure, the GOH immediately took a decisive step and passed a temporary financial stabilization law to insure bank depositors' savings; thus averting a major savings withdrawal crisis in other banks. Given lower inflation rates, the GOH is now attempting to reduce perceived risks in the financial sector, and must take appropriate measures to bring down the commercial interest rates - a key to accelerate post Mitch economic recovery in 2000 and beyond.

Policy assistance - USAID policy efforts have had important impact in helping to maintain a freemarket policy framework at a critical time. Though the impact of Mitch could have led to backsliding in the policy area, the Index of Economic Freedom (IEF), recently revised and based on historical socio-economic conditions and trends, shows that the policy environment for Honduras improved, falling from 3.45 in 1999 to 3.35 in 2000. Though the GOH postponed passage of two key laws – supervision and regulation of microfinance institutions, and the Chattel Mortgage—which will improve market access by the poor – no new trade restrictions were imposed and markets were allowed to function freely. USAID-financed technical assistance to the National Unit for Technical Support (UNAT), which provides economic analysis and policy advice to the Government of Honduras' Reconstruction Cabinet, as well as to the Economic and Social Cabinets, has been instrumental in the formulation of the Master Plan for National Reconstruction and Transformation (PMRTN) which was presented at the donors' meeting in Stockholm. As a result of this successful effort, the GOH secured donor pledges in the amount of \$2.8 billion for the reconstruction activities. Following the development of the PMRTN, the USAID contractor has assisted UNAT in developing a Plan for Monitoring the Reconstruction Activities (SINEG) and in the initial work regarding the preparation of the Poverty Reduction Strategy Paper (PRSP), required under the HIPC initiative.

Access to services - The provision of agricultural inputs, technical assistance and credit to Mitch-affected farmers helped restore basic grain production to their pre-Mitch levels. Total exports and private investment met the targets set for 1999. In terms of access to markets and competitiveness, the number of loans to small and medium enterprises exceeded the target and the incidence of delinquent loans dropped from 8.4% to about 6.4%. During 1999, micro-finance

institutions supported by USAID disbursed over 604 million Lempiras through 122,715 individual loans to the micro and small business sector. Between June and December, the Covelo Foundation successfully disbursed the \$3 million Mitch Recovery Fund to participating PVOs. These resources provided liquidity to support and rehabilitate enterprises of some 9,000 clients severely affected by Mitch. By the end of 1999, the USAID-supported micro-finance institutions were showing positive signs of regaining long-term financial sustainability. As of December 1999, Covelo, its network of 10 financial PVOs, and Finsol had 84,052 active clients – 86% women. Based on a 1996 baseline survey, this represents 43.2% of total micro and small enterprises (194,701) in Honduras – a 23% increase in active clients from 1998.

The Covelo Foundation continued to assist two commercial banks (Bancomer and Banhcafe) and a regulated finance company (FIA) in opening specialized microfinance windows. The Central Bank of Honduras (BCH) authorized Funadeh to constitute a regulated finance company, Finsol, which is now fully operational and growing. The experience gained by Finsol in its transition to a regulated financial institution is invaluable to the entire microfinance community. The law for supervision and regulation of the financial PVO organizations appears on top of the Year 2000 Congressional agenda. If passed, it will provide a legal framework for savings mobilization and future expansion of micro-finance institutions in Honduras.

Possible Adjustments to Plans: As outlined below, policy and operational programs will likely be realigned to support the GOH Poverty Reduction Strategy. Some follow-up financing will be needed for NGO programs focused on small farmers and businesses that have been funded with Hurricane Mitch supplemental resources. For example, to maximize the impact of technical assistance for dairy farmers and alternative fruit and vegetable exporters, the Mission will need to extend the program beyond the limited time frame of the reconstruction program to encompass an additional growing season, take advantage of infrastructure investments (cooling and milking equipment for dairy, cooling facilities and irrigation equipment for fruits and vegetables), and permit full integration into domestic and international markets. New funds will be required.

Other Donor Programs: USAID works closely with other donors, and with GOH and private sector partners, to coordinate approaches to economic reactivation and poverty reduction. USAID operational and technical support to UNAT has been instrumental in helping the GOH establish priorities and facilitate effective donor coordination. The World Bank and IMF have committed \$266 million in soft loans for balance-of-payments support. The IDB reprogrammed over \$110 million for reconstruction after Hurricane Mitch and approved another \$220 million in loans and \$1.5 million in grants in 1999. The IDB approved \$12 million for a Central American micro-finance recovery fund to complement USAID regional funding of \$5 million, of which \$3 million was allocated to Honduras. USAID continues to coordinate closely with other donors, including Spain, Japan, Sweden, UNDP and the EU, to reactivate the productive sectors.

Principal Contractors, Grantees and Agencies: Microenterprise and small business credit and business services are provided by Honduran microenterprise NGOs and through the formal banking and credit union system. Chemonics works with key GOH and private sector partners on economic policy concerns and Barents/CARANA provides technical assistance in the financial area. Primary government counterparts are UNAT, the Economic Cabinet, and its respective ministries or agencies, and the Central Bank of Honduras.

Future Directions – USAID efforts to support economic growth and poverty reduction over the next few years will focus primarily on support for those activities identified in the GOH Poverty Reduction Strategy Paper. They will also build upon reconstruction efforts in helping the GOH take the next step to promote a real transformation in the Honduran economy. The GOH has developed a highly participatory process for developing the Poverty Reduction Strategy and is receiving support from USAID's policy assistance program in drafting the strategy. This strategy will be comprehensive in looking at social safety net programs, structural and institutional reform, geographic targeting, and various sectors. Based on preliminary drafts and discussions with GOH officials, the Strategy includes the following key economic elements:

- Improvement of the investment climate Poverty reduction is not simply an issue of distribution in Honduras; sustainable economic growth to expand the available resources is critical. A major constraint to economic growth, however, is an investment climate negatively affected by perceptions of rampant corruption; a politicized, manipulated, and ineffective judicial system; excessive bureaucratic red tape in opening and operating businesses, lack of confidence in property rights and contracts, and cronyism. USAID assistance in various parts of the portfolio can help address this, with specific help using economic growth funds to develop and maintain a free-market economic framework and improve access to quality business services for micro, small and medium entrepreneurs and farmers.
- Modernization and diversification of agriculture Efficiency in the Honduran agriculture sector is low relative to other countries and there is increasing evidence that the direct and indirect effects of agricultural growth can have the greatest impact in reducing poverty. Poverty rates are highest in rural Honduras and more than half of the population is still in rural areas, so the GOH poverty reduction strategy will have a rural focus. USAID can support this agriculture focus by extending the supplemental-funded programs that help transfer yield-increasing technology that reduces production costs and helping to fill gaps in information and know-how for agricultural production, processing, and marketing.
- Increased value added to agricultural exports As part of the effort to stimulate and build
 upon a revitalized agriculture sector, Honduras will look to increase local processing of
 agricultural goods and expand agribusiness to create jobs and exports. USAID policy
 assistance can support this effort.
- Secondary city development Part of the strategy for creating employment and stimulating agricultural modernization and agribusiness will be to promote economic development around secondary city and market town linkages to rural hinterlands. Building on years of municipal development experience with secondary cities, USAID's strategy has targeted selected cities for development of business services for micro, small, and medium enterprises, including business development centers to increase productivity. Many of these enterprises are linked to providing goods and services to the rural and agricultural sector. Using supplemental funds, USAID is supporting expansion of microfinance institutions and local chambers of commerce to secondary cities in Mitch-affected areas.

In addition to these areas of support through specific economic growth/poverty reduction programming, other activities throughout the portfolio will support the GOH's Poverty Reduction strategy. These include family planning efforts to reduce Honduras relatively high population growth rates that create additional demands on limited resources; water resource management to avoid losses from flood and drought; and education programs to provide the skills needed for employment.

Objective NO. 1: Expanded and Equitable Access to Productive Resources and Markets APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/HONDURAS							
RESULT NAME:							
INDICATOR: 1.A. EMPLOYMENT IN THE AGRICULTURAL, INDUST	TRIAL AND	COMMER	CF SECTORS (BY				
GENDER)							
UNIT OF MEASURE: Total Number of Persons Employed in	Year		Planned	Actual			
the Private Agricultural, Industrial and Commerce Sectors	Baseline	1990					
(cumulative and disaggregated by gender)	Dascinic	Total		1,094,200			
0011005 4 1/44 1 4000) 11 1 1 1 0 1 4 1		Female		262,608			
SOURCE: Annual (March 1999) Household Survey of the		Male		831,592			
Dirección General de Estadística y Censos (DGEC)	1995	Total	1,253,800	1,306,662			
INDICATOR RECORDED TO A LICENSTANCE	1000	Female	413,754	355,701			
INDICATOR DESCRIPTION: These data, disaggregated by		Male	840,046	950,961			
gender, include private sector employment in the agriculture,	1996	Total	1,302,300	1,360,610			
industrial, and commerce sectors, as specified in codes 1 (agriculture, forestry, fishing, and hunting), 3 (manufacturing	1000	Female	442,782	389,198			
(agriculture, forestry, fishing, and numing), 3 (manufacturing industry), and 6 (wholesale and retail trade, hotels, and		Male	859,518	971,412			
restaurants) of the March 1999 <i>Programa de Encuesta de</i>	1997	Total	1,425,000	1,500,504			
Hogares of the DGEC, p. ix, published in May, 1999.		Female	420,000	459,060			
progares of the Bozo, p. 1x, published in May, 1999.		Male	1,005,000	1,041,444			
PERFORMANCE: MET (total and female met but slightly below	1998	Total	1,573,000	1,573,415			
for male)		Female	469,000	505,253			
io maio,		Male	1,104,000	1,068,162			
COMMENTS: Employment for women continued growing at a	1999	Total	1,573,000	1,672,126			
faster rate than for men. The major increase in employment for		Female	469,000	577,012			
women is in commerce, where more than 50,000 new women		Male	1,104,000	1,095,114			
were employed compared to 1998. The increase in women in	2000	Total	1,652,000	***			
the commerce sector could be a direct result of housewives		Female	493,000				
entering the labor force as a consequence of the economic		Male	1,159,000				
hardships caused by Mitch.	2001	Total	1,734,000	***			
		Female	517,000				
		Male	1,217,000				
	2002	Total	1,821,000	***			
		Female	543,000				
		Male	1,278,000				
	Target	_		***			
	2003	Total	1,912,000				
		Female	570,000				
		Male	1,342,000				

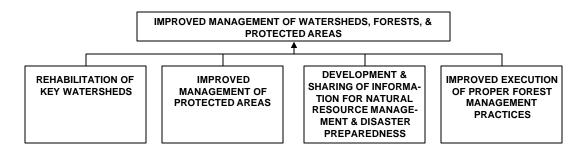
Objective No. 1: Expanded and Equitable Access to Productive Resources and Markets APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/HONDURAS					
RESULT NAME:					
INDICATOR: 1.D. INCREASED PRIVATE INVESTMENT					
UNIT OF MEASURE: Annual value of private sector	Year		Planned	Actual	
investment in millions of 1978 Lempiras.	Baseline	1997		1,195	
SOURCE: Central Bank of Honduras (CBH)		1998	1,256	1,457	
INDICATOR DESCRIPTION: Measures the real value of private sector investment in the Honduran economy.		1999	1,482	1,564	
PERFORMANCE: MET		2000	1,748	***	
COMMENTS: The real value of private sector investment		2001	2,063	***	
increased 7% in 1999. The increase can be attributed to increased investment in housing and industrial sector		2002	2,434	***	
investment, mainly as a result of the replacement of Mitch affected infrastructure.	Target	2003	2,872	***	

Objective No. 1: Expanded and Equitable Access to Productive Resources and Markets APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/HONDURAS						
RESULT NAME Improved Policy Environment Conducive to Poverty Reduction Through Economic Growth						
INDICATOR: 1.1.b. INCREASED EXPORTS OF AGRICULTURAL AND FORESTRY PRODUCTS UNIT OF MEASURE: Annual value of exports in millions of US Year Planned Actual						
Dollars.	Baseline 1997		785.4			
SOURCE: Central Bank of Honduras (CBH)						
INDICATOR DESCRIPTION: Measures exports for the following commodities: coffee, banana, wood, meat, sugar, melons, pineapples, tobacco, and shrimp.	1998	868.9	858.4			
PERFORMANCE: MET	1999	541.2	544.6			
COMMENTS: Both the planned and actual targets have changed, due to the inclusion of shrimp. The effects of Hurricane Mitch were hardest felt in the agricultural sector in 1999. The value of exports in 1999 for the commodities monitored fell by 37% compared to 1998. The major causes of this decline can be attributed to the decrease in the value of banana (81%) and	2000	595.3	***			
coffee exports (40%). The value of banana exports decreased from \$175.7 million in 1998 to \$33.7 million in 1999. This decline is a direct result of the damage from Hurricane Mitch to approximately 75% of the existing banana plantations and a	2001	790	***			
decrease in world banana price; the volume of 40 pound boxes exported decreased by 76% (from 28,234 thousand to 6,750 thousand) and the average price decreased 20% (from \$6.22 to \$4.99 per 40 pound box). The volume of coffee exports were	2002	869	***			
reduced by 15% and average prices were reduced by approximately 30%. Although the volume of shrimp exports was reduced by 4%, a 7% increase in the average price led to a 2% increase in the value of shrimp exports. Among the other export commodities, lobster and tobacco increased while wood, meat, sugar, and minerals fell last year.	Target 2003	955.6	***			

Objective No. 1: Expanded and Equitable Access to Productive Resources and Markets APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/HONDURAS							
RESULT NAME: 1.2 Improved Market Access And Competitiveness By The Poor							
	TERPRISE	S (MSEs) RECEI	VING				
ENDER)							
Year		Planned	Actual				
Baseline	1996						
	Total		20.3				
	Female		83.0				
1997	Total		27.9				
	Female		81.0				
1998	Total		35.1				
	Female		79.0				
1999	Total	39.0	43.1				
	Female	87.0	86.0				
2000	Total	47.2	***				
	Female	83.0					
2001	Total	51.5	***				
	Female	80.0					
2002	Total	55.5	***				
	Female	80.0					
2003	Total	60.0	***				
	Female	80.0					
	Tender of the control	DUNTRY/ORGANIZATIONESS By The Poor SMALL ENTERPRISE ENDER) Year Baseline 1996 Total Female 1997 Total Female 1998 Total Female 2000 Total Female 2000 Total Female 2001 Total Female 2001 Total Female 2002 Total Female 2003 Total Female	Number Substitute Substit				

Objective NO. 1: Expanded and Equitable Access to Productive Resources and Markets APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/HONDURAS					
RESULT NAME: 1.2 Improved Market Access And Competitivene	ess By The F	oor			
INDICATOR: 1.2.b PORTFOLIO AT RISK >30 DAYS					
UNIT OF MEASURE: This delinquency indicator is a weighted	Year		Planned	Actual	
average portfolio at risk (PAR) that represents the ratio of loan balances with late payments with more than thirty days to the total of loan portfolio balances.	Baseline	1998		8.4	
SOURCE: Semiannual reports from the Covelo Foundation.		1999	9.0	6.4	
INDICATOR DESCRIPTION: Presents the weighted average delinquency rate (PAR30) of USAID assisted micro-finance institutions.		2000	5.8	***	
PERFORMANCE: MET		2001	5.4	***	
COMMENTS: The overall portfolio at risk for Covelo, its network member and Finsol shows a significant improvement in delinquency. This is true because the PVOs have followed		2002	5.0	***	
micro-finance best practices in terms of having adequate reserves in place and writing-off bad loans with 180 days and more in arrears. The post Mitch overall increase in the loan portfolios of participating PVOs has also contributed to the improved delinquency rate.	Target	2003	4.5	***	

USAID/Honduras IMPROVED MANAGEMENT OF WATERSHEDS, FORESTS, AND PROTECTED AREAS - 522-S002



USAID/Honduras Self-Assessment: On Track – USAID/Honduras is now managing environmental activities under a revised Strategic Objective that captures major reprogramming to support watershed management activities funded with supplemental funds. Over the last year, Forestry Development activities were terminated with the Honduran state forest authority due to lack of implementation of key forestry reforms and concerns about pervasive corruption in the forest sector. With the reprogramming of these resources to forestry activities focused on municipal and community forest management in key watersheds, and with the National Forestry School (ESNACIFOR) as a new counterpart, forestry activities are again underway. Targets for management of protected areas were met or exceeded and Fundacion VIDA made significant progress in strengthening local environmental NGOs and developing other sources of financing.

Summary - This SO contributes to the Agency goal of improving sustainable management of the environment and to the MPP goal of increased Honduran awareness of, and commitment to, resolving environmental problems. Poor management of protected areas and watersheds contributed to the level of damage and destruction caused by Hurricane Mitch as deforested hillsides became landslides or failed to hold water, thereby contributing to flash floods and heavy siltation of rivers. Experience with sustainable environmental management is limited and Honduras has few trained professionals in this field. Many hillside farmers and even some foresters operating in key watersheds are not familiar with soil and water conservation methods. Environmental groups are few and relatively weak, though growing in number and strength. While the GOH is taking some positive steps, e.g. declaring numerous "protected areas," the budget to actually "protect" them is lacking because environmental protection is still a low government priority. Achievement of this SO involves building the capability of Honduran NGOs, government institutions, municipalities, and communities to carry out effective management of Honduran watersheds, forests, and protected areas. Primary beneficiaries are both the current and next generation of Hondurans who must depend upon the country's natural resource base for their future economic well-being and health, as well as those who might be subject to future disasters.

Key Results: As this SO is further developed, higher level results statements and indicators will be determined. More NGOs are working directly to improve management of watersheds and protected areas and coverage increased to over 195,000 hectares and 18 parks or reserves. In addition, progress has been made in strengthening local NGOs in administrative/ financial management and monitoring and evaluation. Forestry management efforts focused on reducing damage from forest fires were successful in reducing the area affected by forest fires by 50% in 1999 from the 1998 level. Given the reprogramming of Forestry Development funds, most new activities are in early stages of implementation and have not yet achieved impact on results.

Performance and Prospects: Heightened environmental awareness after Hurricane Mitch has given new impetus to environmental programs and improved prospects for future progress. USAID provides support to strengthen Honduran institutions and finances sub-grants for environmental protection through the Honduran Environmental and Development Foundation ("Fundacion VIDA"), a Honduran environmental NGO. Several sub-grants link U.S. environmental NGOs, such as the Wildlife Conservation Society and the RARE Center for Tropical Conservation, with local organizations to improve management of selected areas in the Honduran National System of Protected Areas. Improved management is achieved through the preparation and official approval of a management plan, which in turn includes definition of area limits, legal declaration of the park or reserve, demarcation of boundaries, assignment of institutional responsibilities and infrastructure development. Improved management is also dependent upon a sustainable local NGO responsible for each protected area and active implementation of the management plan. Closer monitoring of Fundacion Vida sub-grants has shown that several of the protected areas have a nearly completed management plan, but this plan has not been officially approved as reported last year. We are also measuring improved management based on the presence of a sustainable local NGO responsible for the particular protected area. Finally, LOP targets for the RP have been lowered because over \$700,000 was reprogrammed for urgent USGS activities immediately after hurricane Mitch.

Development of NGO institutional capacity improved significantly in 1999 as Fundacion VIDA provided assistance to local NGOs in project monitoring/evaluation and administrative/financial management and completed institutional evaluations of nine NGOs that may receive future assistance. VIDA has also been addressing its own institutional strengthening needs by responding to recommendations from a mid-term evaluation to improve in areas such as strategic planning, operating procedures, and financial stability. An important step toward sustainability has been the development of other donor financing from Canada and the World Bank. VIDA is receiving assistance from a Costa Rican NGO in strategic planning and is developing an environmental education program for implementation at the national level.

During the past decade, USAID's Forestry Development Project (FDP had a major impact on Honduras' forestry sector by helping to move it from unmanaged state control of forest exploitation to improved public and private harvesting practices and an open standing timber sales system. This program has now been oriented toward improved watershed management that complements supplemental-funded activities with NGOs and municipalities. It is implemented through the National School of Forestry Science (ESNACIFOR), whose training program is aimed at teaching forestry practices that directly contribute to proper management of Honduras' watersheds. The program emphasizes use of practical, hands-on exercises that allow municipal officials, community members, and forest technicians to identify factors that negatively affect the watersheds under their jurisdiction. ESNACIFOR also provides participants with the appropriate knowledge to help them request and/or enforce legal and technical actions regarding protection of the watersheds. The program is mainly targeted to local governments and community organizations to strengthen their capacity and knowledge and thus to help increase their participation in watershed management. Furthermore, since support and assistance of qualified technicians is critical to proper watershed management, the training program also concentrates efforts on improving foresters' capacity in this area. ESNACIFOR will also establish a unit responsible for providing technical assistance and support to the Municipal Environmental Units (UMAs) and regional associations of municipalities. ESNACIFOR's assistance to municipalities will be carried out through (1) in-the-field direct technical assistance to municipal staff responsible for environmental matters; (2) analysis of specific environmental issues as requested by the municipalities or as identified by ESNACIFOR's technicians; and (3) water quality analysis of samples collected by the municipalities themselves. Field activities will be directly executed by

ESNACIFOR in the Island of Guanaja, ESNACIFOR's own pine forest, and the Río Calán watershed in Siguatepeque. This field work contributes not only to the effective watershed management of these selected areas but also supports training activities by functioning as onthe-ground models. Additionally, because uncontrolled fires expose the mineral soil and increase the area's vulnerability to both water and wind erosion, USAID funds may be used to support fire prevention and fire control activities, including the use of prescribed burns.

Immediately after Hurricane Mitch, the Mission used available environmental funds to finance a PASA with the USGS to develop information required for design of reconstruction activities and for decisions about resettlement in affected areas. The USGS completed various inundation maps identifying areas most at risk from future flooding or landslides, collected Mitch-related streamflow data for use in design of infrastructure and risk maps, established stream monitoring equipment that helped limit loss of life and property during heavy rains in September, 1999, compiled available base maps and geographic information into a geographic information system (GIS), established on-line information for decision-makers, and carried out specific consultations on proposed areas for resettlement in Tegucigalpa and municipalities throughout the country.

Possible Adjustments to Plans: Hurricane Mitch supplemental funds have been used to initiate a comprehensive approach to watershed management in targeted watersheds damaged by Mitch. This watershed management program is putting in place important partnerships between NGOs, municipalities, and communities that will be critical to promoting improved watershed management practices such as use of sustainable hillside agriculture technologies, reforestation, and protection of designated forest areas and water sources. For these partnerships to have full and lasting impact, however, they will require support for a longer period than is possible under supplemental funding. The important foundation created with supplemental funds in economically important watersheds significantly damaged by Mitch must be built upon through follow-up activities to really accomplish significant rehabilitation of deteriorated areas, prevent future erosion, and assure water resources for the future. This follow-on implementation phase will be perhaps more critical to making a real difference in these watersheds than the emergency rehabilitation, planning and development phase funded by supplemental funds which will establish institutional relationships, produce watershed management plans, and provide training for key actors involved in watershed management. These follow-up activities will fund the actual implementation of plans developed with the initial funding (supplemental funds also will be used to help implement existing municipal watershed plans developed under previous USAID and other donor programs). Building on a productive partnership with NGOs and municipalities to carry out these activities will help address the complex relationships between agricultural production, rural migration pressures, and use of land and water resources, and result in successful efforts to bring about sustained and real impact. After 2001 the mission would also expect to continue to work with the successful NGOs and municipalities implementing the Mitch supplemental Upper Watershed and River Basin Activities.

Other Donor Programs: Close technical cooperation between USAID, the World Bank, IDB, UNDP, GTZ, KFW, FAO, Canada, other donors, and environmental NGOs is helping the GOH to fulfill its proper role as a guardian of the Honduran environment.

Principal Contractors, Grantees, or Agencies: U.S. organizations: Biodiversity Support Program Consortium. Honduran organization: Fundacion VIDA, which also supports linkages between various U.S. environmental organizations and Honduran NGOs. The Mission also coordinates closely with USAID's Regional Environmental Program (PROARCA), Parks in Peril Project, and Partnership for Biodiversity Project. Key government counterparts are the National School of Forestry Science (ESNACIFOR) and municipal governments in targeted watersheds.

Future Directions: Management of watersheds and water resources is expected to be the primary orientation of the Mission's future environmental strategy. Recent natural disasters, including Hurricane Mitch and other flooding, as well as regular droughts, have highlighted in dramatic terms the impact of inadequate water management. Having too much water during floods or having too little during droughts have both had a devastating impact on economic development and the poor have been the most negatively affected. Thus, improved water management is an important contribution to economic development and poverty reduction efforts. Moreover, the loss of existing water systems due to Hurricane Mitch and the process of developing information about water resources as part of the reconstruction effort have demonstrated that water quality and availability are also critical health issues.

USAID/Honduras has begun important activities under the supplemental-funded reconstruction program, complemented by reprogrammed forestry development activities, to rehabilitate damaged watersheds and improve watershed management. These activities will only begin the process of developing more effective watershed management in Honduras. Further support of these efforts to build partnerships between NGOs and municipal governments and communities will be required to achieve real and sustainable impact. The focus will likely continue to be on:

- Strengthening municipal capacity to manage and regulate watershed activity Training and technical efforts focused on municipal "Environmental Units" are likely to focus on topics such as delineation of zones to prohibit selected practices (traditional basic grain cultivation, extensive cattle grazing, burning, cutting of timber, etc.), reforestation, a municipal decree to establish parts of the local watershed as a reserve, or even the purchase of parts of the core zone by municipalities. Support may also be provided to small associations of municipalities working on shared watershed and river basin issues. Support for the development, updating, and implementation of municipal watershed management plans in targeted watersheds, through NGO and municipal partnerships, would likely be continued.
- Expanded promotion of sustainable hillside agriculture technologies Support for expanded promotion of sustainable hillside agricultural activities would continue. These technologies have proven impact and effective promotion mechanisms have been developed.
- Improved forestry management practices Forest management is a critical factor in broader management of watersheds and water resources. USAID will likely continue to promote improved forestry management through NGO-municipal partnerships. The GOH has proposed development of new institutional arrangements for forestry management, including the termination of the current state forestry authority, COHDEFOR, and development of a new forestry service. The Mission will analyze the situation as changes take place to see if further involvement at the national level would be productive in achieving desired results.

An important requirement for effective management of watersheds and water resources in Honduras is to develop a widely-shared conceptual framework that can guide holistic planning efforts encompassing various institutions and donor programs. This must be accompanied by development of a legal framework that clarifies rights and responsibilities for management of water resources and clearly defines workable institutional responsibilities. USAID may provide support for these efforts as a first step toward developing institutional and enforcement capability to manage water resources effectively. Part of this effort may involve continued efforts to develop information about water resources and make it easily and widely accessible for planners and decision makers. Efforts to educate citizens and government officials about the importance of water resource management, and its impact on their lives, can also help develop a Honduran commitment and improve the effectiveness of water management activities.

OBJECTIVE NO. 2: Improved Management of Watersheds, Forests, and Protected Areas APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Honduras RESULT NAME: 2.2 Improved Management of Protected Areas							
INDICATOR: 2.2.a INCREASED AREA UNDER CONSERVATION		S AS PRO	<u> </u>	1			
UNIT OF MEASURE: Hectares	Year		Planned	Actual			
SOURCE: Forestry Development Project (FDP/522-0246); Honduran Environmental Protection Fund (HEPF/"Vida"/522- 0385); National System of Protected Areas of Honduras		1990		5,000			
(SINÁPH)		1996	68,144	47,124			
INDICATOR DESCRIPTION: This indicator complements							
indicator 2.1.b below and reports the area in hectares associated with the specific protected areas targeted for each year.		1997	148,000	192,274			
PERFORMANCE: MET		1998	202,000	187,767			
COMMENTS: The 1999 results were achieved exclusively			,,,,,,,				
through sub-grants by NGO Umbrella Fundación VIDA, as all support to the protected areas component of the Forestry Development Project (FDP) was terminated in December of 1998.		1999	200,000	196,701			

COMMENTS: The Mission is proposing a change in the results of this indicator, as well as indicator 2.2.b, starting in 2000. As explained under indicator 2.2.b, we are redefining the criteria for a protected area to be under "improved management." Furthermore, we are lowering the LOP targets, because: (1) over \$700,000 of HEPF funds were used for Hurricane Reconstruction activities in the natural resources sector before the Special Objective funding was approved (at that time it was thought that these funds would be reimbursed); (2) no additional results in protected areas will be achieved through FDP; and (3) a combined Mission-Fundación VIDA analysis has revealed a limited potential number of large protected areas to be brought under improved management through the project.

Year		Planned	Actual
Baseline	1999		171,031
	2000	195,000	***
	2001	205,000	***
	2002	215,000	***
Target	2003	220,000	***

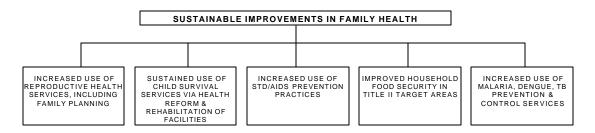
	OUNTRY/OF		ted Areas ATION: USAID/H	onduras
RESULT NAME: 2.2 Improved Management of Protected Areas INDICATOR: 2.2.b INCREASED NUMBER OF DECLARED PROT MANAGEMENT		AS UNI	DER IMPROVED	
UNIT OF MEASURE: Cumulative number of parks and	Year		Planned	Actual
reserves SOURCE: Forestry Development Project (FDP/522-0246); Honduran Environmental Protection Fund (HEPF/"Vida"/522-0385); National System of Protected Areas of Honduras (SINAPH)	Baseline	1994		1
INDICATOR DESCRIPTION: This is the number of individual protected areas placed under approved management plans during a year.		1996	9	9
PERFORMANCE: MET COMMENTS: The current universe of officially identified		1997	16	15
Protected Areas (including parks, forest, and biosphere reserves, natural monuments, marine and anthropological				
reserves, and wildlife refuges) is 107 units nationwide.		1998	18	17
(*Honduras also receives support from a regional project in this field, the Central America Regional Environmental Program (PROARCA/596-180) and from the centrally-funded Parks in				
Peril Project (598-0782). These two projects – which work in the Río Plátano Biosphere, the largest protected area in Honduras – are not included in the targets.)		1999	18	18

COMMENTS: The Mission is proposing a change in the definition of the criteria for "improved management." Starting in 2000, a specific protected area must have: (1) an officially-approved and implemented management plan (2) be managed by an NGO which has attained at least medium-level technical and institutional sustainability.

Year		Planned	Actual
Baseline	1999		13
	2000	20	***
	2001	22	***
	2002	23	***
Target	2003	24	***

Note: Forestry development activities are now an integral part of supplemental-funded watershed management activities and indicators are associated with those results.

USAID/Honduras SUSTAINABLE IMPROVEMENTS IN FAMILY HEALTH - 522-S003



USAID/Honduras Self-Assessment: On track – The health sector has generally rebounded quickly after the hurricane. Major health related targets were met in 1999 and the majority of lower level results were also met or exceeded. Additional reconstruction programs for addressing rural water supply and sanitation and for repairing facilities and increasing appropriate maternal/child health services in affected areas were planned and added to the overall program and initial implementation is underway. The Mission's newly-created health reform initiative and resident technical advisor gained full operational momentum in 1999, becoming a center of technical support, policy dialogue and initiative to the ongoing health reform environment— which has been surprisingly enhanced in the hurricane's aftermath.

Summary - This SO is directly linked to the Agency objective of "world population stabilized and human health protected", and supports the MPP objectives to protect health and reduce the spread of infectious diseases and stabilize world population. Major challenges to family health in Honduras include rapid population growth (2.7% per year), widespread poverty and malnutrition, growing incidence of infectious diseases (tuberculosis, malaria and dengue fevers), and limited access to health information and care, especially in rural areas. Honduras also has approximately 50% of HIV/AIDS cases in Central America. Rural access to safe water/sanitation which had reached over 60% before Hurricane Mitch and contributed significantly to increased rates of child survival, declined by 42% in rural areas due to hurricane damage. USAID is a leader in the health sector, engaging in policy dialogue and providing technical assistance, training, and capital assistance that supports a variety of interventions, including vaccination programs, oral rehydration therapy, maternal health care, family planning, and targeted nutrition programs. Key service delivery approaches are focused on reaching the population in greatest need in the most under-served areas—the rural poor and less educated. More than a third of the country's population live in the geographic areas identified with project field activities. Other technical and training support, research and pilot activities are being implemented nationwide by central units of the Ministry of Health and a selection of important NGOs. The additional child survival supplemental funds allocated in FY 99 are primarily used to repair and rebuild rural water systems damaged and destroyed in the hurricane, and in improving access to maternal and child health services in areas affected by Mitch. In each of these programs, there is a balance of support for public sector activities and complementary programs in the private sector.

Key Results – Target immunization rates were met during 1999, maintaining one of the highest rates in the region despite the disruption of Mitch, and demonstrating a continuing commitment by the GOH. Couple years of protection fell slightly short of projected targets but still increased by 5%. The target percentage of rural residents with access to high quality water systems was met though the adjusted target reflected the negative impact of Hurricane Mitch in destroying or damaging water and sanitation systems. The number of malaria cases reported increased but

may reflect improved case identification rather than increased incidence. The percentage of children with adequate growth trends in CARE target areas was 68.9% or 38% above the target.

Performance and Prospects - Mission targets were largely achieved in 1999 in the areas of reproductive health and family planning, child survival, AIDS prevention, household food security and prevention of infectious diseases. Though some annual performance indicators show effects of disruption due to Mitch, the great majority of the indicators in major programs were achieved or exceeded, far overshadowing a smaller number which did not reach targeted levels.

Increased use of reproductive health services, including family planning —Though neither USAID public nor private sector partners reached their expected goals for couple years of protection (CYPs) set for 1999, there was still an overall increase of 5% in family planning practice (CYPs), primarily due to an 11% increase in the private sector provision of services. Other achievements over the past year include expanded training of nurse auxiliaries to insert IUDs, training of generalist and specialist doctors in the mini-lap sterilization technique, assessment of contraceptive distribution that revealed a high demand for the newly-introduced injectable contraceptive, Depoprovera, and MOH approval of an improved set of women's health norms for guiding services nationwide. Dramatically decreased maternal mortality in Honduras over the past decade has shifted USAID's focus to remaining rural pockets of high maternal death rates, and high levels of preventable maternal mortality in the country's largest hospitals.

Sustained Use of Child Survival Services through Health Reform – Continued high childhood immunizations levels reflect support from USAID program activities: immunization promotion through the Integrated Community Child Health Program (AIN) and direct support for the cold chain. Given the damage to rural water and sanitation systems caused by Mitch and the role that access to potable water has on reduced child diarrheal deaths—especially in rural areas—restoration of these systems has been a high priority. An estimated 117 water systems were completed by the end of 1999 and contributed to a substantial increase in the percentage of rural water systems providing quality water over the last year, though the absolute level is still low. This will increase sharply over the next two years as more repaired systems come on line.

With a long-term health reform advisor now well-established and integrated into the health reform process, considerable progress was made in 1999. Despite preoccupation with reconstruction, interest in reform, especially from the new minister, has continued. The National Health Accounts initiative has advanced, donors made progress in collaborating to define a health policy framework (though without full consensus); and USAID provided assistance to the regulations working group, development of a new general health law, a drug management policy, and a health training plan.

Increased Delivery of STD/AIDS Prevention and STD Treatment Services - Although the epidemic in Honduras is widespread in the general population—with 50,000-60,000 cases, or about 1.2% of the population now infected, the number of new confirmed cases of AIDS appears to have plateaued in the past year or more and HIV prevalence among commercial sex workers is leveling, suggesting a slowing of the epidemic's rate of growth. Nevertheless, the epidemic is still growing, is the major cause of maternal deaths, and the ratio of women to men infected is now almost equal. The UN estimates the cost of care for AIDS patients is now near \$40 million annually, and it will grow dramatically as the HIV positive patients progress to AIDS. USAID's partner NGO, Fundacion Fomento en Salud (FFS), reached full operational status in 1999, providing grants to 14 subgrantees working on AIDS prevention, education, STD prevention, and behavior change in high risk groups. FFS also managed the distribution of almost 3 million condoms. Reduced AIDS funds in FY-2000 limited provision of condoms to public and private

sector partners; without increased levels in FY-2001, MOH activities and the number of NGOs receiving support and AIDS awareness/behavior education will need to be cut back.

Improved Household Food Security in Title II Target Areas - Performance of the CARE-implemented, integrated Title II food program was outstanding in 1999, with 83% of its indicators achieved or exceeded, despite the major disruptions of Mitch and the additional responsibilities taken on by CARE in managing a separate Emergency Food Program. The percentage of children with adequate growth trends increased to 68.9%, or 38% above the planned 1999 level. The EXTENSA agricultural extension component of the program continues to be very successful, providing technical, managerial, and skill development inputs, with an early-adopter methodology of technology transfer, to extend the agricultural potential in some of the poorest communities of the country. Likewise, the PODER (municipal strengthening and food-for-work for basic infrastructure) and HOGASA (community-based health service program aimed at maternal and child health) components of CARE's program achieved outstanding results.

During 1999, CARE and CRS designed and managed Emergency Food Programs to address the post-Mitch loss of homes, crops, income, and infrastructure, utilizing 36,000 additional tons of Title II food, and serving about 225,000 beneficiaries monthly. Both completed their programs by the end of CY 1999, but CRS developed a new \$3 million TAP for a reconstruction food for work program, focusing on home construction and disaster mitigation, which will continue during 2000.

Increased Use of Malaria, Dengue and TB Prevention and Control Services – Infectious disease activities gained considerable momentum during their first full year of implementation. The tuberculosis control program, in particular, established improved case finding, laboratory diagnosis, and treatment with the directly observed treatment--short-course (DOTS) to assure drug compliance. Reported malaria cases increased almost 13% in 1999, apparently due to strengthened case finding capability rather than increased malaria incidence. Case finding and diagnosis should improve for both dengue and malaria through expanded training of community-level environmental health technicians (TSAs) and strengthened lab capabilities. These approaches are being accelerated and expanded in hurricane-affected areas.

Possible Adjustments to Plans – The Mission's major health and population programs end in 2000 and a major design effort is underway for the programs of the future. The design effort will likely proceed along the lines outlined in the "Future Directions" section below.

Other Donor Programs - USAID coordinates closely with the Pan American Health Organization and the UNAIDS group on AIDS prevention, and with the programs of Japan, Sweden, UNICEF, the European Union, the IDB and World Bank, and Spanish Technical Cooperation in child survival, reproductive health and health reform programs. USAID participates fully in the coordination of food aid with the World Food Program, CARE and Catholic Relief Services, and in the various coordinating groups related to reconstruction activities in health. IDB and PAHO are key partners in support for the health reform agenda.

Principal contractors, grantees or agencies-U.S. partners include CARE, CRS, Management Sciences for Health, Population Council, AVSC International, University Research Corporation, Johns Hopkins University, ABT Associates, Centers for Disease Control and Prevention, World Relief, and Save the Children. Honduran grantees are the Ministry of Health, the Program for Development of Women and Children (PRODIM), the Honduran Family Planning Association (ASHONPLAFA), the Health Promotion Foundation (FFS), and Preach and Heal (PREDISAN).

Future directions – With the Mission's major health and family planning projects ending this year, a major design effort is underway to develop activities to address the key health problems facing Honduras over the next five years. These activities will contribute significantly to the GOH Poverty Reduction Strategy and to transformation in the Honduran health sector. Though the Mission will look to build on past successes, focusing on transformation suggests new directions:

Reproductive health/family planning – Family planning contributes significantly to poverty reduction by reducing the number of people that share the nation's wealth. Slowing population growth reduces long-term demands for housing, employment, places in schools, and for expansion of health and other social services and can slow urbanization (over half due to surplus rural population migration). Among rural poor families the fertility rate is 7.1 (over twice urban levels) while family planning practice is just 50% of urban levels. The urban-rural disparity reflects a serious inequity in access to effective reproductive health and family planning services in rural areas, despite rural women's expressed preference for no more than three children. USAID will seek a major increase in population funds to finance a major expansion of public and private family planning services to rural areas. Support for ASHONPLAFA will emphasize sustainability for urban and peri-urban programs and will subsidize the less-sustainable rural outreach efforts.

Health reform – Significant improvement in family health in Honduras will require fundamental reform of the public health system. Coverage and quality of health services is constrained by bureaucratic inefficiency, politicization and corruption, misplaced budget priorities, inadequate incentive systems, lack of relevant information, and minimal strategic planning. Dealing with these issues requires major changes in the health delivery system that may involve greater private sector participation, and a changed role for the Ministry of Health from dominant provider of health services to establishing policies, regulation, quality assurance for both the private and public sectors, and financing or quaranteeing equitable access and coverage of the underserved poor and rural populations. Decentralization and possible municipal level responsibility for public health service may be explored in coordination with other donors investing in this area. The reform orientation of the current Minister and emerging general interest in health sector reform provide an opportunity to significantly advance the reform agenda. USAID can support studies, training, country visits, expert analysis and technical assistance to inform and facilitate policy and program choices, and pilot activities that will identify and test options, such as health insurance. Providing information, orientation, and policy dialogue with the executive team of a new government in 2002 can help maintain the reform momentum.

HIV/AIDS and Sexually Transmitted Diseases – Given the importance of controlling the epidemic at an early stage, USAID/Honduras will continue public/private prevention and control efforts in key urban centers of transmission with major risk groups to promote change in high risk behavior, increase STD detection and treatment, and increase use of condoms.

Child Survival. Infant and child mortality have declined significantly in the past decade due to expanded access to national immunization and maternal health programs, improved water supply, and broad efforts to treat the key childhood killers—diarrhea and respiratory infections. USAID has been a key player in each of these efforts and will continue to support programs through the Ministry of Health, the national water authority (SANAA) and NGOs to improve child survival in targeted geographic areas. Support for the successful community level Integrated Community Child Care program (AIN), and Integrated Management of Childhood Illnesses (AEIPI) programs will continue. Additional funds will be provided to maintain quality of rural water and sanitation systems and for modest investments in infectious disease control, focusing on prevention and control of tuberculosis, malaria, and dengue. The Title II food program will continue to focus on the poorest areas of the country where food insecurity is highest.

OBJECTIVE NO. 3: Sustainable Improvements in Family Health APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/Honduras						
RESULT NAME:						
INDICATOR: 3.E STABILIZED HIV SEROPREVALENCE IN ALL COMMERC SEROPREVALENCE IN CSWs AGED 15-19	IAL SEX WORKERS (CSW) AND DECRE	ASED			
UNIT OF MEASURE: Seroprevalence Rate	Year	Planned	Actual			
SOURCE: Epidemiological Division, Ministry of Health (MOH) INDICATOR DESCRIPTION: We are using annual street-based	Baseline 1998 15-19 years All		8.3 10.5			
seroprevalence surveys of Commercial Sex Workers (CSW) in an expanded number of geographic epicenters of the epidemic (San Pedro Sula, Tegucigalpa, Comayagua, Puerto Cortes, and La Ceiba). This gives us information on transmission in high risk groups. CSWs refers to	1999 15-19 years All	8.3 10.5	5.4 9.9			
women. Data from CSWs aged 15-19 are used as an estimate of incidence. Whereas data from all CSWS are used to determine prevalence.	2000 15-19 years All	8.0 10.5	***			
PERFORMANCE: EXCEEDED	2001 15-19 years All	7.5 10.5	***			
COMMENTS: Clinic-based sentinel surveillance of CSWs, which the Mission has relied on in the past, is not representative of the CSW population, since it is clinic-based. Street-based surveys will be a more reliable measure of impact.	2002 15-19 years All	6.0 10.5	***			
Teliable measure of impact.	Target 2003 15-19 years All	4.0 10.5	***			

OBJECTIVE NO. 3: Sustainable Improvements in Family Health APPROVED: 08/04/97

APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/Honduras
RESULT NAME: 3.1 Increased Use of Reproductive Health Services, Including Family Planning

INDICATOR: 3.1.d INCREASED COUPLE - YEARS OF PROTECTION (CYP) (PROXY FOR 3.D)

UNIT OF MEASURE: Number of contraceptive methods distributed to clients multiplied by conversion factors.

SOURCE: ASHONPLAFA, Save the Children, PRODIM, PREDISAN, World Relief, MOH, and IHSS Annual Reports

INDICATOR DESCRIPTION: The estimated protection provided by family planning services during a one year period, based upon the volume of all contraceptives sold or distributed free of charge to clients during that period, multiplied by a conversion factor. CYPs for each method are then summed over all methods to obtain a total CYP figure. This is an annually measured proxy for the Total Fertility Rate. The public sector represents family planning services delivered by the Ministry of Health (MOH) and the Honduran Social Security Institute (IHSS). Private sector represents the Honduran Family Planning Association (ASHONPLAFA), Save the Children, the Program for the Development of Women and Children (PRODIM). The conversion factors used are those recommended in 1997 by G/PHN/POP through the Evaluating Family Planning Program Impact Project as follows:

- 1 IUD = 3.5 CYP; 1 Sterilization (VSC) male or female = 10 CYP;
- 15 cycles of oral contraceptives = 1 CYP; 120 condoms = 1 CYP;
- and 4 Depo-Provera injections = 1CYP

PERFORMANCE: FELL SHORT (Private); MET (Public)

COMMENTS: Overall achievement is low, although it is noteworthy that the public sector achieved 99 percent of its annual goal. It should be pointed out that CYP achievement continues to improve over the years; from 1997 through 1999 the annual increase in CYP achievement has been approximately 5 percent, which is a respectable increase. Public sector CYP achievement is basically due to the IUD and surgical sterilization programs of the MOH. In 1999, 22 MOH hospitals were providing surgical sterilizations compared to only 12 in 1998. Depo-Provera was introduced into the MOH family planning program in 1999. 1999 service statistics indicate that there is going to be very high demand for this contraceptive. Private sector CYP achievement includes ASHONPLAFA and four PVOs (Save the Children, PRODIM, PREDISAN, and World Relief). During 1999, ASHONPLAFA achieved only 86.3 percent of its 1999 CYP goal. This is due in part to the relatively high prices that ASHONPLAFA charged during the first half of the year for the services and products it provides to its clientele.

Around mid-year, ASHONPLAFA adopted a new policy, which states that no one will be denied family planning services on the basis of ability to pay. It should be pointed out that ASHONPLAFA's CYP achievement in 1999 was higher than that in 1998 (180,948 versus 155,747). The PVOs which received their initial funding in 1997 (Save the Children and PRODIM) are performing substantially better than the PVOs which received their initial funding in 1998 (PREDISAN and World Relief). At this point, we expect that Save the Children and PRODIM will achieve their respective LOP CYP goals, while PREDISAN and World Relief will not. Both PREDISAN and World Relief reported low CYP achievement in 1999 primarily because start up activities did not allow either to systematically provide family planning services until later in the year.

<u>, , , </u>	(OXTTOR 3.D)		
	Calendar Year	Planned	Actual
	Baseline 1996 Total Public Sector Private Sector		311,724 173,658 138,066
	1997 Total Public Sector Private Sector	403,093 204,117 198,976	366,587 208,817 157,770
	1998 Total Public Sector Private Sector	451,253 223,663 227,590	384,418 219,454 164,964
	1999 Total Public Sector Private Sector	462,590 225,000 237,590	405,303 222,203 183,100
	2000 Total Public Sector Private Sector	471,590 234,000 237,590	***
	2001 Total Public Sector Private Sector	493,973 243,000 250,973	***
	2002 Total Public Sector Private Sector	518,176 253,000 265,176	***
	Target 2003 Total Public Sector Private Sector	543,255 263,000 280,255	***

OBJECTIVE N	NO. 3: Sustainable	Improvements in	Family Health
A DDD OVED	00/04/05		

COUNTRY/ORGANIZATION: USAID/Honduras

T≥90 D≥90

M≥90 P≥90 T≥90 D≥90

M≥90 P≥90 T≥90

APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/Hono
RESULT NAME: 3.2 Sustained Use of Child Survival Services Via Health Reform and Rehabilitation of Facilities
INDICATOR: 3.2.c MAINTAINED COVERAGE OF MORE THAN OR EQUAL TO 90 PERCENT OF CHILDREN UNDER ONE-

VACCINATED FOR SELECTED DISEASES: DIPHTHERIA, PERTUSSIS TUBERCULOSIS	S, TETANUS (DPT), MI	EASLES, POLIO, AN	ND
UNIT OF MEASURE: Percent vaccinated.	Calendar Year	Planned	Actual
SOURCE: Ministry of Health (MOH) Annual Reports. INDICATOR DESCRIPTION: D= Diphtheria, Pertussis, Tetanus (DPT)	Baseline 1996		D=95 M=91 P=95 T=95
M= Measles, Mumps, Rubella (MMR) P= Polio T= Tuberculosis (BCG)	1997	D⊵90 M⊵90 P≥90 T≥90	D=94 M=95 P=94 T=98
This indicator reflects children under one only, with the exception of MMR vaccine, which is administered to children from 12-23 months. We consider that the ≥ 90% level is a realistic maintenance level that the MOH can maintain as it makes the transition to greater self-reliance. Maintaining immunization coverage in general will also be a key measure of sustaining the health system as USAID reduces its	1998	D≥90 M≥90 P≥90 T≥90	D=95 M=97 P=95 T=95
support. PERFORMANCE: MET COMMENTS: The vaccination coverage of DPT, Polio, MMR and	1999	D≥90 M≥90 P≥90 T≥90	D=95 M=92 P=96 T=89
BCG has been maintained at or near 95% over the past five years, a testimony to the commitment of the MOH to achieving results from this program. This high achievement has made Honduras the best performer in vaccination coverage in Latin America per PAHO. The low figure reported for BCG reflects the lack of BCG in stock in the	2000	D⊵90 M⊵90 P⊵90 T≥90	***
MOH for a few months in 1999.	2001	D≥90 M≥90 P≥90	***

2002

Target

2003

27

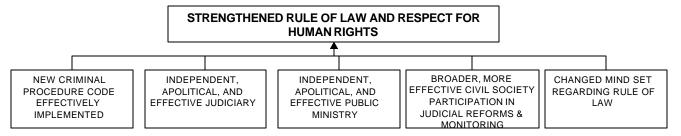
RESULT NAME: 3.2 Sustained Use of Child Survival Services Via Health ReINDICATOR: 3.2.g INCREASED PERCENTAGE OF RURAL WATER SYSTEM			
UNIT OF MEASURE: Percentage of rural water system operating at the	Calendar Year	Planned	Actual
'A" level.	Baseline 1996		6.5
SOURCE: SANAA Operation and Maintenance Technicians' (TOMs) data.	1997	21.4	8.7
NDICATOR DESCRIPTION: A rural water system functioning at the "A" evel is defined as having all of the following characteristics: a) water is disinfected, b) there is a water board that meets periodically (at least every three months), c) there is a water fee that is paid by users, d) there is a maintenance employee, and e) water is available from the system on	1998	25.0	7.6
a daily basis. PERFORMANCE: See Comments	1999	38.0	11.7
COMMENTS: A major objective of USAID has been to foster the sustainability of rural water and sanitation systems. In each SANAA regional office, there is a person assigned to supervise the operation and	2000	15.0	***
naintenance of rural water and sanitation systems, and there is a group of operation and maintenance technicians (TOMs) who have under their urisdiction approximately 50 rural water boards. The overall objective is	2001	20.0	***
o elevate the level of service of the systems to the "A" level, which is defined as a system where a) water is disinfected, b) there is a water board that meets periodically (at least every three months), c) there is a	255.	2010	
water fee that is paid by users, d) there is a maintenance employee, and e) water is available from the system on a daily basis. USAID has been using "percentage of rural water systems in the "A" category" as an indicator of the success of the program. Original target was to have 64% of all water systems in the "A" category by 2003. Because of the destruction caused by Mitch, however, all targets, 2000 and beyond, were revised. The percentage at the end of 1999 was 11.7%, which is a significant increase over the actual 7.6% at the end of 1998. This increase is no doubt the result of reconstruction efforts, which have already begun.	2002	30.0	***
	Target 2003	40.0	***

OBJECTIVE NO. 3: Sustainable Improvements in Family Health APPROVED: 08/04/97	COUNTRY/ORGANIZA	TION: USAID/I	Honduras
RESULT NAME: 3.4 Improved Household Food Security in Title II Target Areas INDICATOR: 3.4.g. INCREASED PERCENTAGE OF CHILDREN WITH ADEQUATE GROWTH TRENDS (PROXY FOR 3.B)			
UNIT OF MEASURE: Percentage of children less than 2 years of age in CARE target areas with adequate weight gain for their age (children whose growth charts show an upward trend, consistent with standards).	Fiscal Year	Planned	Actual
	Baseline 1997		33.0
SOURCE: Growth charts of children 0-23 months in CARE target areas.	1998	40	50.9
INDICATOR DESCRIPTION: Number of children less than 2 years of age with adequate weight gain for their age over the previous three months, per standards, divided by the total number of target children whose weight gain (growth) is monitored. This is an annually measured proxy for Global Malnutrition among children 12-23 mos. PERFORMANCE: EXCEEDED	1999	50	68.9
	2000	60	***
	2001	64	***
	2002	68	***
COMMENTS: CARE collects these data quarterly and will report the percentage for the last quarter of the fiscal year.	Target 2003	70	***

OBJECTIVE NO. 3: Sustainable Improvements in Family Health APPROVED: 08/04/97 COUNTRY/ORGANIZATION: USAID/Honduras			
RESULT NAME: 3.5 Increased Use of Malaria, Dengue, and TB Prevention and Control Services			
INDICATOR: 3.5.a CONFIRMED CASES OF MALARIA	1		1
UNIT OF MEASURE: Confirmed cases of malaria in a given year.	Calendar Year	Planned	Actual
SOURCE: Ministry of Health (MOH/ET) data.	Baseline 1998		44,337
INDICATOR DESCRIPTION: The total number of positive malaria slides in a year.			
PERFORMANCE : EXCEEDED (The number of confirmed cases of malaria is slightly higher).	1999	No target set	49,950
COMMENTS: The project is enhancing the capability of the MOH to detect cases of malaria. Therefore, we expect the number of cases of			
malaria reported during the first couple of years to increase. After that, the numbers of cases are expected to decrease because of enhanced treatment capacity and effectiveness of other prevention measures.	Target 2000	70,000	***

OBJECTIVE NO. 3: Sustainable Improvements in Family Health APPROVED: 08/04/97	COUNTRY/ORGANIZATION: USAID/Honduras		
RESULT NAME: 3.5 Increased Use of Malaria, Dengue, and TB Prevention and Control Services INDICATOR: 3.5.b INCREASE CURE RATE OF TREATED TB CASES			
UNIT OF MEASURE: The percentage of TB cases that were cured out of	Calendar Year	Planned	Actual
the total number of cases who initiated treatment.	Baseline 1998		75
SOURCE: MOH National TB Program data.			
INDICATOR DESCRIPTION: Number TB patients cured X 100			
Total number TB patients who initiated treatment PERFORMANCE : See comments below.	1999	80	80
COMMENTS: * The total number of TB patients who initiated treatment during 1999 includes patients who were identified between January 1,			
1999 and December 31, 1999. Since the full treatment requires six months, this rate is estimated as the MOH will not have data available July, 2000.	Target 2000	85	***

USAID/Honduras Strengthened Rule of Law and Respect for Human Rights, 522-S004



USAID/Honduras Self Assessment: On Track - The landmark Criminal Procedures Code (CPC) that will move Honduras from a written, inquisitorial criminal justice system to an oral adversarial one, was finally passed on December 15, 1999. Passage of the new CPC gave reform elements within the justice system a considerable victory in their struggle to bring real structural reform to the Honduran justice system. Although politicization of the court system remained a serious concern during this period, passage of the CPC sent a clear signal that the reform process has begun and is now irreversible. This year was one of sharp contrasts in the justice system; on the one hand a widely discredited and politicized court and, on the other, reformers making great strides in bringing the problems of the system to public attention and proposing a series of profound reforms in the wake of the new CPC. The increasingly dismal performance of the judiciary seems to have contributed to a wave of support for these reforms, now being touted by civil society groups, the Catholic church, the President of the Honduran Congress, and even the traditional political parties.

Summary – This Strategic Objective contributes to the Agency goal of building sustainable democracies and the MPP goal to consolidate democracy and strengthen rule of law. Corruption and inefficiency have been major problems for the nation's judicial system and reduce citizen confidence in the rule of law. Archaic judicial laws and judicial bottlenecks also deprive Hondurans of their human rights—over 90% of those in prison have never been sentenced and many serve more than their likely sentence before their case is adjudicated. The justice sector as a whole remains weak, and justice is rarely delivered in a timely and equitable manner. Merit is now a factor in choosing judges, but the judiciary is still politicized and subject to outside influences. There is little career stability among judges, and nearly all judges, as well as support personnel, need additional training in order to be able to carry out their duties competently. A number of improvements in court administration are underway, but the court system is still inefficient. The Attorney General's Office has established itself as a positive influence on the justice system, challenging previously untouchable sectors of society and establishing its worth and necessity to the society at large. But as an institution, it is still young and needs support to consolidate its role. A series of legal and administrative reforms have been proposed to address these problems and the new CPC is one of the key elements of the reform effort. Both the court and the Attorney General's Office will need extensive training, technical assistance and operational support to make the transition to the new CPC. All Hondurans benefit from strengthened rule of law, especially the politically, socially, and economically disadvantaged and those who historically have suffered from a corrupt and ineffectual justice system.

Key results: After years of expectation that passage of a new CPC was imminent, this result was finally accomplished. The Public Ministry continues to exceed targets for prosecuting cases. Case adjudication in pilot courts is exceeding targets.

Performance and Prospects: New Criminal Procedures Code Effectively Implemented – After over five years of sustained effort in support of justice sector reformers, most of them associated

with USAID justice reform programs, the new CPC was passed by the Honduran Congress. USAID programs were critical in creating a mass of support for the new CPC through various means: sending groups (including members of the Honduran Supreme Court, journalists, members of Congress, law students and faculty) to the U.S. to observe oral trial proceedings; supporting public information on the new CPC; local training of judges, prosecutors and students in oral trial proceedings; sponsoring seminars and conferences with renowned Latin American jurists; supporting the Judicial Committee of the Congress in their formal review of the code and regional workshops to garner public support, and various other activities that, over time, created the critical mass of support for passage of the code. The new CPC is slated to go into effect in February of 2002, creating an important two-year window of opportunity to prepare the system for this monumental change. Implementation issues created by the delay in passage of the CPC will now be overcome as activities are geared up to help prepare the Honduran justice system for this change.

Independent, Apolitical and Effective Judiciary- In the short time since passage of the CPC, politicization of the Supreme Court has quickly become the most important issue to be addressed in the justice sector. The President of the Honduran Congress stepped forward and presented a constitutional amendment that would remove the selection of Supreme Court Magistrates from the electoral/political process by choosing the Magistrates from a slate of candidates proposed by civil society organizations and justice sector institutions. Terms would be seven years, thereby taking the selection out of the normal presidential election cycle, and terms would be renewed automatically if a 2/3 majority of Congress did not vote against it. USAID supported this amendment when it was originally proposed in 1995. Though it has suffered many past setbacks, its sudden remergence after the passage of the CPC has been warmly embraced by Honduran society. Numerous newspaper editorials, commentaries, or articles have expressed support for this initiative. The amendment will have to be approved by the Honduran Congress and then ratified the following year. If it is passed in 2000, it will have to be ratified in 2001, when the country, and especially the Honduran Congress, will be embroiled in election year politics. This may make it difficult to change a system that provides opportunities for high level political patronage.

A USAID-financed technical unit is now firmly established in the court and providing consistent assistance and training in case-tracking, lower court re-organization, court administration, budget planning, and strengthening of the judicial school. Case-tracking systems were installed in pilot courts in four cities. Each court is at a different stage in implementing these systems and is engaged in purging cases and determining which ones to load onto the systems. Once in place these systems will greatly facilitate access to case status information for court officials and the general public. For the second consecutive year, a technical needs-based budget submission was prepared by the court with help from a USAID funded consultant - the most professional and realistic budget prepared by the court to date. Although a higher budget did not emerge from the political budget process, it is a valuable planning instrument that will contribute to more rational administration and utilization of scarce resources. The Supreme Court approved the lower court reorganization model proposed by USAID consultants and this activity is moving forward at full speed, with the full cooperation and acceptance of pilot court judges. The new judicial school director is a reform supporter and the USAID technical unit now works closely with the school to implement reforms in the court's training system and gear up for transition to the new CPC.

Though court adjudications have increased annually since 1995, exceeding USAID targets, a very high pending caseload and large numbers of new cases introduced into the system keep the adjudication rate relatively low. Very few high profile cases have been resolved. Serious problems remain concerning judges' ability to convict influential defendants, due to political influence at the highest levels of the court and their subsequent fear of losing their jobs. This situation has actually

worsened with the Supreme Court appointed in 1998. Efforts mentioned above to address judicial independence will be absolutely necessary in order to erode political influence within the courts.

Independent, Apolitical and Effective Public Ministry - Last year saw the first change in Attorney General since the institution was created. Though the selection process was very political, concerns that the new Attorney General would politicize the institution have not been borne out. He states his short term goal as strengthening the special prosecutor's offices and their case selection and preparation. He has also stated his plans to take on several very high profile corruption cases in the short term. The institution suffered only a few high level changes with the change in leadership, remaining largely intact and continuing to move forward. A recent USAID-financed audit report from the Controller General's office demonstrated that the Public Ministry is in extraordinarily good shape for a public sector institution. A USAID MIS consultant working closely with the Public Ministry has found it to be well organized and professional in their administration of the institution. The Public Ministry attributes the dramatic increases in the number of cases prosecuted (200% improvement in 1999 over the previous year) to improvement in supervision.

Broader and More Effective Civil Society Participation in Justice Sector Reforms and Monitoring-Civil society advocacy for justice sector reforms remains weak and at a very basic, nascent level. USAID continued to support the NGO umbrella organization, FOPRIDEH, in its modest efforts to involve more NGOs in justice related issues. Four new small organizations joined FOPRIDEH's "Justice Sector Commission" bringing membership to a total of twelve. These 12 NGOs engaged 40 others in training and awareness activities. So far, 324 justice-related seminars, workshops and other educational activities have been carried out with 11,694 participants via this network.

Changed Mind Set re: Rule of Law- U.S. study tours for groups of law students and professors have focused on 1) oral trial proceedings, and 2) ethics in the law profession and legal system. To date, 30 law students and six academic advisors (law professors, including the Dean of the law faculty) have participated. The law faculty and students of the National University (UNAH) have embraced the program and it has had a profound impact on the participants, inspiring them to promote reforms in the legal system and disseminate their experience to others. Returned students have formed an "Academic Excellence Group" which sponsors seminars, workshops, and other education activities on reform-related topics (e.g. street law) to share their experiences with others.

Possible Adjustments to Plans: Passage of the CPC presents a number of important opportunities for major transformation of the justice system in Honduras. Additional resources are needed in 2001 and 2002 to support implementation of the new CPC. Unanticipated needs include reform of the curricula at the law school to incorporate the new CPC, public education campaigns on the new CPC, support for the Bar association in its efforts to train private lawyers in the new CPC, support for a constitutional amendment to increase independence of the courts through changes in the selection process for judges, and increased U.S. and third country training in oral trial proceedings. The "future directions" section discusses these needs in more detail.

Other Donor Programs: The Spanish Cooperation Agency and the Inter-American Development Bank are the other two donors supporting justice sector reform. The Spanish provide TA and training to the court, in close coordination with USAID. The IDB is supporting construction of several new Justice of the Peace facilities.

Principal Contractor, Grantees, or Agencies: USAID's primary partners are the Public Ministry, National Center for State Courts (NCSC), DPK Consulting, and FOPRIDEH. USAID also works with the Supreme Court and lower courts through NCSC and DPK.

Future Directions – Preparing various actors in the judicial system for the sweeping changes created by the new CPC requires an intensive effort on various fronts. USAID's current strategy focuses on the Court and the Public Ministry as actors that will carry much of the burden in implementing the code, but experience in other countries and in Honduran juvenile courts now using oral trials suggests that building investigative capacity in the police is a critical need. USAID supports an allocation of at least \$1.5 million in ESF funds in both 2001 and 2002 for ICITAP to meet these needs. It is clear that an integrated strategy to implement the CPC requires USAID involvement in areas that had not been previously anticipated; neither the GOH nor other donors are addressing some critical "gaps" required for effective implementation. A workshop held March 15, 2000 with partners in the justice sector identified the following critical areas for USAID support:

- Curricula reform at the National University (UNAH) UNAH has more than 5,000 law students, over 90% of the country's law students. At this point, the law faculty continues to teach the previous criminal procedures code, although when the bulk of their students graduate the new code will be in effect. The USAID-supported technical unit at the court is working with the law faculty on a plan for curricula reform. The law faculty is willing to move quickly to incorporate the new CPC, but it does not have the budget to do so. This effort will require intensive effort, involving outside assistance over a sustained period of time. This is a high priority activity if the country's principal law school is to come on line with the reform.
- Public education Because the new CPC was pushed primarily by reformers within the system rather than the public at large, most of the Honduran public is not aware of the major reform that is taking place. Since the reform affects all those who come into contact with the justice system, the public must know and understand the changes. Public understanding will also help generate support when the new CPC runs into inevitable difficulties in its initial implementation. If the public does not understand and support the change when problems emerge, the CPC runs the risk of being derailed by those who prefer the status quo. Massive public education campaigns involving radio, newspaper and TV will be most effective if done in the year immediately preceding implementation of the code.
- Private lawyers/Bar Association training Training of private lawyers in the new CPC is
 critical to successful implementation of the new oral adversarial system. USAID may provide
 assistance to the Honduran Bar Association to set up a training plan for private lawyers,
 providing methodologies and technical assistance for an intensive program.
- **Constitutional Amendment** The next big reform on the horizon is the constitutional amendment to depoliticize the process of selecting magistrates of the Supreme Court. This reform is as important as the new CPC, since it addresses the issue of the independence of the court and some support may be necessary to garner support for passage.
- Increased U.S.-based CPC training Reformers that pushed for the new CPC were products
 of U.S.-based study tours that impressed upon them the viability and effectiveness of oral trial
 proceedings and ethical procedures. Support for the CPC from the press, civil society, the bar
 association, and others will be important during this transition period and study tours are one of
 the most effective tools to increase understanding and support.

Given limited donor presence in the justice sector, an additional \$2 million for USAID programs will be required in 2001 and again in 2002 to address these and other gaps, including development of a Public Ministry case-tracking system and nationwide dissemination of pilot court systems. The 2002 Resource Request includes this increase; we also request a 2001 increase.

OBJECTIVE NO. 4: Strengthened Rule of Law and Respect for Human Rights							
APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Hondura							
RESULT NAME: 4.1. New Criminal Procedures Code (CPC) Effectively Implemented							
INDICATOR: 4.1.a NEW CPC PASSED BY LEGISLATURE							
UNIT OF MEASURE: Initially—Pass/Fail; Following Years-	Year		Planned	Actual			
-In Force	Baseline	1995	CPC bill	CPC bill introduced			
SOURCE: Honduras Congress and GOH Official Record			drafted	in Congress			
(La Gaceta)		1999	CPC Approved	CPC Approved			
INDICATOR DESCRIPTION: Legislation on new CPC							
PERFORMANCE: MET							
COMMENTS: The CPC was approved in December of 1999. Publication in <i>La Gaceta</i> is expected by June 2000.							

OBJECTIVE NO. Strengthened Rule of Law and Respect f	or Human Rights		
APPROVED: 10/99	C	OUNTRY/ORGANIZ	ATION: USAID/Honduras
RESULT NAME: 4.1: New Criminal Procedures Code (CPC) E			
INDICATOR: 4.1.a (new) TRANSITIONAL PROGRESS TOWARD			0-11
UNIT OF MEASURE: Yes/No or Descriptive Statement	Year Baseline 1999	Planned	Actual
SOURCE : Supreme Court, Public Ministry and recipient NGO records; USAID institutional advisors	Baseline 1999 Transition Plan *		CPC passed; preliminary plan developed
INDICATOR DESCRIPTION: Court and PM preparations for implementation of CPC in February of 2002; citizens at large informed of new oral adversarial criminal justice system.	Case Track. Syst.**		Prototype installed
PERFORMANCE: MET	Staffed Trained		Initial Court/PM
	Clariou Trainou		training ongoing
COMMENTS : This new indicator will replace 4.1.a. above in next year's R4. This indicator encompasses elements and performance targets of four key indicators which gauge overall Justice Sector preparations and progress toward new CPC implementation and	Public Information Campaign		Public relations effort focused on CPC passage
which are used in internal Mission annual results reviews. In regards to CPC-related training, USAID has supported this area	2000 Transition Plan	Comprehensive plan developed and	***
since 1995, long in advance of but anticipating CPC legislation. With passage of the CPC in 1999, however, a formal transition training plan will be developed and implemented.	Case Track. Syst.	implementation initiated	
*For entities/areas supported by USAID (e.g. Court, PM), other donors and the GOH	Staffed Trained***	Operational in pilot courts	
For eleven selected courts at four pilot cities *Number of trained judges, prosecutors, defenders and administrative personnel	Public Information	Transition plan developed and Implemented	
administrative percentile.	Campaign	Campaign developed	***
	2001 Transition Plan	Fully implemented	***
	Case Track. Syst.	Operational in pilot courts	
	Staffed Trained***	Training plan developed and Implemented	
	Public Information Campaign	Campaign implemented	

OBJECTIVE NO. 4: Strengthened Rule of Law and Respect for Human Rights					
APPROVED: 10/99		UNTRY/O	PRGANIZATION: U	SAID/Honduras	
RESULT NAME: 4.2. Independent, Apolitical, & Effective Jud INDICATOR: 4.2.b NUMBER OF CRIMINAL CASES DISPOSE		UDGE PER	R YEAR		
UNIT OF MEASURE: Number of criminal cases disposed of	Yea	r	Planned	Actual	
per judge per year	Baseline	1997		24	
SOURCE: Court records; Long-Term Court Advisor	(Nationwid				
INDICATOR DESCRIPTION: This indicator will measure the number of criminal cases disposed of in four pilot cities beginning in 1999. Benchmarks and targets will be adjusted	(reationwid	1998		37	
accordingly.		1330			
PERFORMANCE: N/A					
COMMENTS: For the past two years, we have measured judicial productivity nationwide based on Public Ministry	Baseline	1999		70	
records, as Court judicial statistics have remained unreliable. Starting in 1999, however, as USAID continues providing technical assistance to the court in establishing a	(Pilot court	ts)			

sound case-tracking and judicial statistics system, Public Ministry and Court records will be cross-checked for		2000	80	***	
enhanced accuracy. Based on 2,660 criminal cases adjudicated in 1999 at the pilot courts and given a 38 total					
number of criminal court judges, the number of criminal cases disposed of per judge resulted in 70 for 1999. We		0001	0.5	***	
are taking 1999 as the baseline year for measuring judicial		2001	85		
productivity at the pilot courts; thus comparison with prior years is not appropriate since productivity then had been					
measured on a national level. We believe focus on the pilot courts allows to better gauge the impact of USAID's					
technical assistance and the court's response to it and for expansion to other court's nationwide.					
Tentative planned indicators for 2000 and 2001 are shown herewith but they may be confirmed by the Court and USAID Court consultants in the near future.					

RESULT NAME: 4.3: Independent, Apolitical, and Effective Public Ministry INDICATOR: 4.3.a NUMBER OF CASES PROSECUTED BY THE PUBLIC MINISTRY UNIT OF MEASURE: Number of Cases Prosecuted by the Public Ministry (PM) SOURCE: Strengthening Democratic Institutions Project (SDI/522-0296), Court, and Attorney General's Office Records INDICATOR DESCRIPTION: This indicator describes the number of cases filed by prosecutors in the count during the reporting period. Although we use the term "prosecuted", it is not directly comparable to that term as used in the U.S. system. The cases reported here have begun the judicial process, which begins with the investigative phase, but may not yet have been elevated to what is considered the trial level or be ready for a decision. Under the approved strategy, this indicator will be moved down to the second IR level in future reporting. Legend: Types of cases nationally: Corrupt. Corru
UNIT OF MEASURE: Number of Cases Prosecuted by the Public Ministry (PM) SOURCE: Strengthening Democratic Institutions Project (SDI/522-0296), Court, and Attorney General's Office Records INDICATOR DESCRIPTION: This indicator describes the number of cases filed by prosecutors in the court during the reporting period. Although we use the term "prosecuted", it is not directly comparable to that term as used in the U.S. system. The cases reported here have begun the judicial process, which begins with the investigative phase, but may not yet have been elevated to what is considered the trial level or be ready for a decision. Under the approved strategy, this indicator will be moved down to the second IR level in future reporting. Corrupt. = Corruption Women/Min. = Crimes against women and ethnic minorities Environ. = Environmental liability Other SP = All other types of cases, handled by special prosecutors (SP), including constitutional rights and guarantees, protection of children and the handicapped, human rights, consumers and historical/archaeological sites Other Prosec. = All other criminal cases managed by prosecutors assigned to Court's of first and second instance (i.e. non-SP cases)*
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handicapped, human rights, consumers and historical/archaeological sites Other Prosec. = All other criminal cases managed by prosecutors assigned to Court's of first and second instance (i.e. non-SP cases)* Other Prosec. 9,000 4,875 1998 Corrupt. 60 389 Women/Min. 300 1,730 Environ. 30 138
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assigned to Court's of first and second instance Women/Min. 300 1,730 (i.e. non-SP cases)* Environ. 30 138
(i.e. non-SP cases)* Environ. 30 138
Litviioni. So 150
PERFORMANCE: EXCEEDED Other Sp. 300 1,127
Other Prosec. 5,000 5,416
COMMENTS: The Public Ministry continues as a strong actor in
filing cases in the Honduran tribunals as demonstrated by the 1999 Women/Min. 300 2,790
statistical data. Overall prosecutorial activity increased in most Environ. 30 258
categories of prosecutions as compared to 1998. Other Sp. 300 961
Other Prosec. 5,000 13,179
2000 Corrupt. 66 ***
Women/Min. 330
Environ. 33
Other Sp. 330
Other Prosec. 5,500
2001 Corrupt. 73 ***
Women/Min. 363
Environ. 36
Other Sp. 363
Other Prosec. 6,050

Obole in a little in the control of	OBJECTIVE NO. 4:	Strengthened Rule of Law and Res	pect for Human Rights
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APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Honduras

RESULT NAME: 4.3 Independent, Apolitical, and Effective Public Ministry

INDICATOR: 4.3.c INCREASED NUMBER OF PUBLIC MINISTRY CASES AS DESCRIBED IN 4.3.a ABOVE ADJUDICATED BY THE COURT

UNIT OF MEASURE: Increased Number of Cases Successfully Adjudicated

SOURCE: Strengthening Democratic Institutions Project (SDI/522-0296), Public Ministry (PM) and Court Records

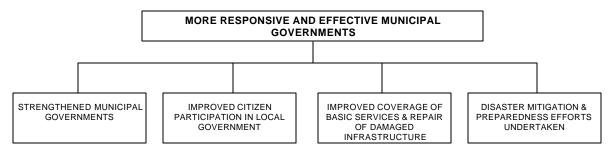
INDICATOR DESCRIPTION: This indicator measures the court system's effectiveness in resolving cases prosecuted by the Public Ministry. It includes final resolutions of guilty and not guilty, as well as dismissals, including for lack of evidence.

PERFORMANCE: EXCEEDED

COMMENTS: Court adjudications have increased considerably in most categories from 1995 to 1999. However, there is high number of cases pending and new cases being introduced in the system which makes the absolute number of adjudications still low. In the case of corruption cases according to the PM officials the cases that are being adjudicated are not the ones with the highest profile. Evidently the problems impeding judges from convicting influential defendants remain, principally their fear of jeopardizing their job stability. In addition, there are indications that with the new court that came into office in 1998, these cases are less likely to get resolved due to political biases.

Year	Planned	Actual
1995 Corrupt.	12	0
Women/Min.	25	4
Environ.	8	0
Other Sp.	101	4
Other Prosec.		250
1996 Corrupt.	24	7
Women/Min.	50	18
Environ.	8	0
Other Sp.	101	24
Other Prosec	300	3,340
1997 Corrupt.	12	2
Women/Min.	25	29
Environ.	5	8
Other Sp.	30	326
Other Prosec	3,500	2,311
1998 Corrupt.	48	15
Women/Min.	150	167
Environ.	20	8
Other Sp.	150	793
Other Prosec	1,000	2,873
1999 Corrupt.	48	15
Women/Min.	150	239
Environ.	20	14
Other Sp.	150	574
Other Prosec	1,000	3,776
2000 Corrupt.	53	***
Women/Min.	165	
Environ.	22	
Other Sp.	165	
Other Prosec	1,100	
2001 Corrupt.	58	***
Women/Min.	182	
Environ.	24	
Other Sp.	182	
Other Prosec	1,210	

USAID/Honduras More Responsive and Effective Municipal Governments – 522-S005



USAID/Honduras Self-Assessment: On Track – In the aftermath of Hurricane Mitch, municipal governments have emerged as one of the most effective vehicles to support reconstruction efforts. The concrete reconstruction progress that has been made to date can be attributed to efforts of local governments in the areas of housing and repair of basic infrastructure. The central government has demonstrated new-found goodwill towards local governments and in 1999 provided a special budget assignation of approximately \$7 million to assist them in their recon-struction projects. However, the required 5% annual budget transfer to municipal governments this year only reached 1.9%. Temporary fixes restored water to most of Tegucigalpa and 37 secondary cities and some smaller towns. Designs for much of the water and sanitation infrastructure work funded with emergency child survival funds have been completed and contracting for construction is underway. Citizen participation in local decision-making has increased.

Summary: This Strategic Objective contributes to the Agency goal of building sustainable democracies and the MPP objective of promoting democracy in Honduras. Citizens find their local governments more responsive to their needs and can exercise oversight of their municipal officials. A strong role for municipal governments also serves as a check on the growth of centralized power at the national level and reduces the potential for the kind of authoritarian governments seen in Honduras in the recent past. Municipal governments must play a central role in Honduran reconstruction and development since they represent the most direct link to the people, and consequently, are best-equipped to understand the specific needs of citizens in their locale. Immediately after Hurricane Mitch, municipalities played a critical role in providing shelter for dislocated people, delivering emergency supplies and food, undertaking clean-up activities, and developing plans for permanent relocation of people in shelters. At the same time, municipal finance deteriorated. Municipal infrastructure throughout the country was destroyed or damaged, especially water and sanitation systems and local road networks. Municipal officials often lack the experience and background to deal effectively with the demands placed on them and they often lack the managerial and financial resources they need to respond to citizen needs. Intensive USAID assistance to 35-40 secondary cities benefits approximately 50% of all Hondurans (approx. three million); other efforts reach all 298 Honduran municipalities. The whole country will benefit from greater efficiency, reduced potential for corruption through investments at the municipal level, reduced risk to public health, and increased participation by citizens in decisions that affect their lives.

Key Results – Targets for increased municipal income in participating municipalities were met on the average but large increases in some municipalities with more income potential masked financial problems in municipalities most severely affected by Hurricane Mitch. Coverage of public services (water, sewerage, refuse collection) was heavily affected by Mitch and reconstruction will take time, as reflected in adjusted targets. Emergency repairs have restored

most urban water systems temporarily. Targets for town meeting participation were met in small municipalities, but fell short in larger municipalities where expansion of neighborhood meetings seems to reflect a more effective way of developing community participation.

Performance and Prospects: Strengthened Municipal Government:- The Foundation for Municipal Development (FUNDEMUN) mounted a massive technical assistance and training effort to assist municipal governments after Mitch that contributed to getting them back on their feet quickly. The Central American Technological University (UNITEC) training program reached 3600 municipal officials in 230 small municipalities to help them recover. UNITEC also sent nearly 600 students to 19 small poor municipalities as part of its community outreach program to assist these municipalities in developing priority projects. The Honduran Association of Municipalities (AMHON) took a lead role in coordinating international donor and Honduran government ministry assistance and in lobbying to keep municipal governments in the forefront of the reconstruction process. USAID was able to incorporate two new small municipalities into the program via direct assistance from FUNDEMUN. USAID is working with AMHON and FUNDEMUN to promote the formation of municipal associations that will incorporate smaller municipalities into technical assistance and training efforts.

In spite of the negative impact of Mitch on municipal finances and their need to spend scarce resources on emergency and reconstruction needs, on average municipalities recovered and real income in 1999 grew beyond projected levels. However, these averages mask serious financial problems in the hardest hit municipalities that will require more time to recover. Some financial assistance was forthcoming from the central government through a special budget assignation of approximately \$7 million for reconstruction projects. Though President Flores has been effusive in his praise of the municipalities and their role in the reconstruction process, this has not translated into a full transfer of the 5% in budget resources required by law – only 1.9% was transferred in 1999. This provoked a serious confrontation as AMHON began the formal legal process to sue the Government of Honduras for lack of compliance with the municipal law. AMHON has publicly stated their willingness to negotiate a gradual increase and suspend the lawsuit, but the GOH has been unwilling to negotiate any increase.

Improved Citizen Participation in Local Government- Active citizen participation in the decision making process at the local level, especially in decisions surrounding reconstruction projects, continued to be a vibrant part of USAID municipal strengthening efforts. While the larger secondary cities fell short of the target of an average of 215 participants in open town meetings (achieving 145), they did hold an average of 31 neighborhood meetings (averaging over 80 participants for each meeting) that elicited the kind of massive participation in local decisions that the project promotes. Smaller municipalities averaged 129 participants in town meetings, and, on average, held 18 neighborhood meetings with 53 participants per meeting. FUNDEMUN continues to work with municipalities to increase women's participation in municipal decision making, a continuing area of concern. Only 10% of Honduras' mayors are women; women are also a minority on city councils and participate less frequently than men in town meetings. Four "Women's Development" offices have been established to provide outreach services. Several municipalities have held town meetings to discuss women's participation and others have worked with NGOs or other groups to improve communication between women and local officials.

Improved Coverage of Basic Services - Much of USAID's effort in 1999 was geared towards helping municipalities repair and reconstruct water and sanitation systems through reprogramming of Child Survival and Housing Guarantee loan funds. Immediately after Hurricane Mitch, USAID used OFDA and Child Survival resources to repair water and sewage

systems in urban and rural areas throughout Honduras. Most of these repairs were temporary fixes to keep water flowing and sewage out of the street. Some temporary systems were built to provide basic services to displaced communities. Nearly all of these systems require major repair, recon-struction, rehabilitation and expansion that will be carried out utilizing supplemental reconstruction funds. In other words, all of the damaged water and sanitation systems have been *temporarily restored*, *but not permanently fixed*. Because of these temporary fixes, overall coverage levels met or slightly exceeded targets. However, because much of the basic infrastructure for basic services has been seriously damaged or destroyed, even when supplemental funds are exhausted and systems are completely repaired, there will be a very large deficit in coverage of basic municipal services. USAID will be working with RUDO on a strategy for long-term sustainable municipal finance, however in the interim, the project will require grant and loan resources to continue to support the growing demand for basic services. SANAA, the national water authority, and the Honduran Social Investment Fund (FHIS), USAID's partner for municipal water and sanitation construction, played key roles in helping repair and reconstruct water and sewage systems in secondary cities.

Possible Adjustments to Plans: Using supplemental Mitch reconstruction funds, USAID has greatly expanded its efforts to strengthen municipal governments primarily in the areas of water and sanitation rehabilitation and expansion and in disaster mitigation, preparedness and response. The role of the Honduran Association of Municipalities as a coordinator and facilitator of GOH, international and NGO assistance to municipalities, has been greatly expanded. As noted below in the "future directions" section, the efforts underway to restore basic services and expand them to resettled areas cannot simply end at the end of an arbitrary timeframe set by Washington. Likewise, there must be continued focus on disaster preparedness and mitigation or the investments made now will not have future impact. Continued support for these efforts must become integrated into the municipal development program and will require significantly more resources than provided prior to Hurricane Mitch.

Other Donor Programs: Hurricane Mitch brought with it a surge of interest from donors in decentralization and strengthening municipal governments. Spain has developed a program built around three regional offices headed by Spanish technicians focused on strengthening smaller municipalities to manage reconstruction assistance. The UNDP is providing one advisor to 5 large secondary cities and is developing a project to promote the development of 100 of Honduras' smallest and poorest municipalities. The Swedes and Swiss are financing some water projects with municipal governments, and the Swedes will work in housing as well. Germany is placing a German advisor in AMHON to strengthen its management capacity. The European Community is in the process of developing a municipal strengthening project. USAID continues to be the largest, most important donor in the sector, providing a broader more integrated approach to municipal development and decentralization than other donors. A donor group at the technical level meets regularly in order to coordinate and avoid any potential for duplication of efforts. This group is developing a common policy agenda regarding certain basic tenets of municipal development and decentralization. The IDB is involved in water and sanitation programs; both the IDB and World Bank fund FHIS projects in various municipalities.

Principal Contractors, Grantees and Agencies: USAID's primary partners are the Foundation for Municipal Development (FUNDEMUN), the Honduran Association of Municipalities (AMHON), the Honduran Social Investment Fund (FHIS), and the Central American Technological University (UNITEC).

Future Directions – The role of municipalities in follow-on reconstruction work (e.g. management of water resources, infectious disease control), the importance of secondary city development to Honduran poverty reduction efforts, and the potential impact of decentralization in transforming Honduran society all require a continued emphasis on strengthening municipalities. The program will continue to emphasize management and sustainability of basic services, the further development of participatory democratic decision-making processes, and transparent management practices. However, this core of activities will need to be expanded to include areas that require follow-up after the limited timeframe for U.S. reconstruction efforts and help municipal governments become effective leaders of local development:

Financing for infrastructure investment - Though the supplemental funding package will rehabilitate much of the damaged municipal water and sanitation infrastructure, municipal governments in Honduras will still have large deficits in their water and sanitation systems after reconstruction projects are finished. These deficits existed before Mitch and every year they worsen with population growth and migration into marginal areas of secondary cities. A municipal finance system does not exist in Honduras and there is no municipal access to long term investment credit for infrastructure, other than some limited IDB funds and small remnants of a USAID HG loan. Municipalities depend upon donor grants and their own modest resources for infrastructure investment. In secondary cities, the needs for sewage and water systems require major investments far beyond municipal revenue capacity and modest transfers from the central government. USAID/Honduras, with assistance from RUDO/Guatemala, will provide assistance to address the urgent need for a municipal finance system, but it is likely to take a number of years to bear fruit. That system will require grant and loan resources (perhaps leveraged with DCA resources) in its initial phases, as private banks or other financial institutions will not be willing to take the full burden of the risk in municipal lending until a formal system is established. In the interim USAID resources are needed to both develop that system and continue essential investments in the most basic of water and sanitation projects.

Disaster mitigation, preparedness and response - A basic lesson of Mitch was that the most effective response to disasters is at the local level; disaster mitigation and preparedness has to emanate from the community level. Intensive efforts have begun with local governments to help them in their efforts to better manage risks and mitigate, prepare for, and respond to disasters – including urban development planning, construction of storm drains, and disaster training for local officials. This must be an on-going, permanent process, not just a two-year post-Mitch activity. Though supplemental-funded activities provide an important foundation, continued effort will be required if they are to be fully institutionalized and become part of local culture.

Assistance to regional associations - USAID-supported secondary cities were the most organized and equipped to deal with the aftermath of Hurricane Mitch. Other smaller, poorer municipalities have become acutely aware of the benefits of technical assistance and training and generated a flood of requests to join the program and receive the full range of services offered by FUNDEMUN. Since limited funds and the dispersion of many small rural municipalities make it impractical to reach all 298 with direct assistance, AMHON and FUNDEMUN are encouraging the formation of regional municipal associations which can provide technical assistance and training that would benefit smaller municipalities and encourage strategic alliances. As such associations have begun to emerge, USAID can provide important assistance to replicate the success of the project in smaller municipalities. These municipalities are now willing to make the reforms and sacrifices necessary to participate in the project because they have seen results elsewhere. In responding to their interests USAID can seize an historic opportunity to strengthen decentralization and municipal development in Honduras.

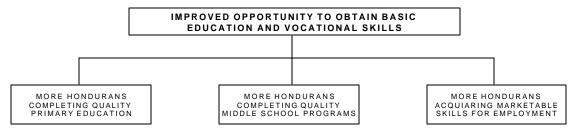
OBJECTIVE NO. 5: More Responsive and Effective Munici	pal Goverr	nment		
APPROVED: 10/99	C	OUNTRY/	DRGANIZATION: U	SAID/Honduras
RESULT NAME:				
INDICATOR: 5.A AVERAGE ANNUAL PERCENTAGE INCREA MUNICIPALITIES	SE IN MUN	ICIPAL INC	OME IN PARTICIPA	ATING
UNIT OF MEASURE: Average Percentage Increase	Year		Planned	Actual
SOURCE: Municipal Development Project (MDP/522-	Baseline	1996 "A"		10,731,213
0340), Municipal Records		1996 "B"		1,653,785
INDICATOR DESCRIPTION: This indicator measured municipal average revenue from all sources, and growth in municipal average revenues from the current year in relation to municipal average revenues of the previous year. Starting 1999 this indicator reports real average annual increases in municipal revenues from all sources. The "A" category represents the medium and large municipalities		1997 "A"		12,695,007 (+18%) Sept. 97 17,360,703 Dec. 97
and the "B" category represents the smaller municipalities. PERFORMANCE: EXCEEDED COMMENTS: While on an average, both "A" and "B" municipalities exceeded their targets for income increases, these averages mask significant decreases in a number of municipalities, especially those such as La Lima, Choluteca, Nacaome and Olanchito that were especially hard fit by Mitch and experienced negative growth rates. 41% of the municipalities did not reach the target growth rates, which can be attributed to the tremendous financial burden faced by these municipalities in the aftermath of Hurricane Mitch.		1997 "B"		1,985,987 (+20%) Sept. 97 2,741,265 Dec. 97
		1998 "A"	+ 5%	18,312,619 (+5.48%) Dec. 98
		1998 "B"	+ 3%	3,333,938 (+ 21.62%) Dec. 98
These municipalities are optimistic however that they will		1999 "A"	+ 5%	20.0%
recover within the next two years. They are working intensively with FUNDEMUN and their communities on		1999 "B"	+ 3%	43.4%
strategies to increase local revenue generation.		2000 "A"	+ 5%	
		2000 "B"	+ 3%	
		2001 "A"	+ 5%	
		2001 "B"	+ 3%	***
		2002 "A"	+ 3%	***
		2002 "B"	+ 2%	***
	Target	2003 "A"	+ 5%	***
		2003 "B"	+ 3%	***

OBJECTIVE NO. 5: More Responsive and Effective Municipal Government							
APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Honduras							
RESULT NAME:							
INDICATOR: 5.B INCREASED COVERAGE OF PUBLIC SERVICES (WATER, SEWERAGE, REFUSE COLLECTION) BY MUNICIPALITIES							
UNIT OF MEASURE: Percent of Urban Inhabitants Receiving all	Year	Planned	Actual				
three services in Participating Municipalities	Baseline 1991		17.0				
SOURCE: Municipal Development Project (MDP/522-0340), Municipal Data	1992	20	18.5				
INDICATOR DESCRIPTION: Increase in number of inhabitants receiving water, sewerage or refuse collection services. Average	1993	22	26.7				
percent service coverage in parenthesis. The "A" category represents the medium and large municipalities and the "B"	1994	24	28.8				
category represents the smaller municipalities. PERFORMANCE: EXCEEDED	1995	26	29.7				
COMMENTS:	1996"A"	28	30 3				
Immediately after Hurricane Mitch, USAID temporarily fixed most	1996 "B"						
urban water systems. These fixes simply got water flowing into	1997 "A"	30	30				
the communities again, but were not permanent, and systems	1997 "B"	8	6				
still require major rehabilitation. In addition, some community members that lived in marginal urban areas near river beds did	1997 B 1998 "A"	32	+16,985				
not have water prior to Mitch, and now have temporary water while in shelters and resettled communities. As a result, there	1000 71	32	(28%)				
has been a 3% increase in those receiving all three basic services (water, sewage and garbage collection), although much	1998 "B"	12	+1,665 (15%)				
of that increase is in communities with provisional water systems.	1999 "A"	+20,000 (32%)	+42,590 (31%)				
When supplemental funds are exhausted and systems are completely repaired, there will still be a very large deficit in	1999 "B"	+2,000 (12%)	+2,940 (16%)				
coverage of all three basic municipal services. USAID will need to continue to support financing for basic infrastructure well beyond the supplemental period in order to have a fully	2000 "A"	(32%)	***				
integrated and effective strategy in municipal development. USAID is working with RUDO on a strategy for long-term sustainable municipal finance, however, in the interim, the project will require grant and loan resources to continue to support the growing demand for basic services.	2000 "B"	(12%)					

OBJECTIVE NO. 5: More Responsive and Effective Municipal Government					
APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Honduras					
RESULT NAME:					
INDICATOR: 5.C INCREASED AVERAGE NUMBER OF PARTICIPA MUNICIPALITIES	NTS IN OPEN	TOWN M	EETINGS IN PARTIC	CIPATING	
UNIT OF MEASURE: Average Number of Attendants per Town	Year		Planned	Actual	
Meeting in Participating Municipalities	Baseline	Total		20	
	1991	Female		15	
SOURCE: Municipal Development Project (MDP/522-0340)		Male		5	
Municipal Data, Official Minutes of Town Meetings.	1996 "A"	Total	180	180	
		Female	110	75	
INDICATOR DESCRIPTION: This indicator reports the		Male	70	105	
average number of persons attending open town meetings in participating municipalities. The "A" category represents the	1996 "B"	Tatal		97	
medium and large municipalities and the "B" category		Total Female		28	
represents the smaller municipalities.		Male		69	
·	1997 "A"	Total	200	174	
PERFORMANCE: FELL SHORT in town meeting attendance		Female	100	97	
but compensated by increased use of neighborhood meetings.		Male	100	77	
COMMENTO MAIN AND AND AND AND AND AND AND AND AND AN	4007 "5"	-	40-		
COMMENTS: While secondary cities fell short of the target of	1997 "B"	Total	125	114	
an average of 215 participants in open town meetings, they		Female	62 63	57 57	
did hold an impressive number of neighborhood meetings that	1998 "A"	Male Total	210	217	
in effect elicited the kind of massive participation in local		Female	105	83	
decision making that the project promotes. The larger		Male	105	03 134	
participating municipalities held an average of 31 such neighborhood meetings in 1999 wth an average of 81		maio	.50	.54	
participants per meeting. In the larger secondary cities, it is	1998 "B"	Total	130	210	
often more practical to use the neighborhood meetings to		Female	65	86	
discuss development and reconstruction needs, than the		Male	65	124	
massive open town meetings. The smaller participating	1999 "A"	Total	215	145	
municipalities, achieved an average participation of 129		Female	108	61	
persons. They held an average of 18 neighborhood meetings		Male	107	84	
with an average 53 participants per meeting.	1999 "B"	Total	135	129	
		Female	68	39	
		Male	67	90	
	2000 "A"	Total	220		
		Female	110	***	
		Male	110		
	2000 "D"	Tatal	4.40		
	2000 "B"	Total Female	140 70	****	
		Male	70 70		
	2001 "A"	Total	225		
		Female	113	****	
		Male	112		
	2001 "B"	Total	145	****	
		Female Male	73 72		
	2002 "A"	Total	230		
		Female	115	***	
		Male	115		
		_			
	2002 "B"	Total	150	***	
		Female Male	75 75	0047	
	Target	iviale	10		
	2003 "A"	Total	235	***	
		Female	118		
		Male	117		
	2003 "B"	Total	155	****	
		Female Male	78 77		
	İ	iviale	11		

OBJECTIVE NO. 5: More Responsive and Effective Municipal Government					
APPROVED: 10/99	CO	UNTRY/O	RGANIZATION: U	JSAID/Honduras	
RESULT NAME:					
INDICATOR: 5.D INCREASED NUMBER OF SMALL MUNICIPA	ALITIES BEIN	G STREN	GTHENED		
UNIT OF MEASURE: Number of small municipalities	Yea	r	Planned	Actual	
incorporated each year.	Baseline	1997		0	
SOURCE: Municipal Development Project (MDP/522-0340) Municipal Records.					
INDICATOR DESCRIPTION: Increased number of small municipalities receiving technical assistance.		1998	3	10	
PERFORMANCE: FELL SHORT		1999	3	2	
COMMENTS: USAID was able to incorporate two new					
small municipalities into the program directly via FUNDEMUN. In addition, the UNITEC Community Outreach program reached 19 small poor municipalities. USAID is working with AMHON and FUNDEMUN to promote the creation of municipal associations that will incorporate smaller municipalities into our technical assistance and training efforts.		2000	3	***	
		2001	0	***	
		2002	3	***	
	Target	2003	0	***	

USAID/Honduras Improved Opportunity to Obtain Basic Education and Vocational Skills – 522-S006



Mission Self-Assessment – On Track - The Honduran educational system has made significant progress in recovering from the damage caused by Hurricane Mitch. USAID support of transitional shelters for those who had been sheltered in schools allowed the school year to start basically on time. Schools have been established in resettled communities and temporary measures have been employed where facilities were damaged or destroyed. The USAID-supported alternative basic education program, EDUCATODOS, was negatively affected but rebounded to meet adjusted targets. Problems associated with a key counterpart in the vocational education program have been largely resolved and that network has expanded. An unexpected response to Hurricane Mitch has been the development of a reform movement that could begin to address serious problems in the formal education system.

Summary – Long-term sustainable economic development of Honduras is directly linked to the goal of building human capacity through education and training. This Strategic Objective also contributes in critical ways to all USAID objectives in Honduras as well as the overall Mission Performance Plan (MPP). A skilled and educated workforce helps spur economic development and improves the country's competitive position globally. Higher levels of education also contribute to improved health practices and family planning, more effective participation in decision-making and citizen oversight, and improved environmental practices. With increased education and skill levels, Honduran citizens can increase their incomes, thus reducing poverty. Efforts to increase opportunities to obtain basic education and vocational skills include activities to achieve (1) expansion of alternative basic education delivery programs; (2) policy changes and programs to improve quality of basic education, reduce repetition, and decentralize; and (3) expansion of vocational education. Ultimate customers are approximately one million school children seeking to achieve their full economic potential as adults as well as out-of-school youth and young adults who need an opportunity to complete a basic education through alternative delivery systems and vocational skills training in order to improve their productivity and income.

Key Results – Despite the disruption caused by Hurricane Mitch, there was only limited slippage in some indicators, leaving the results still within the "met" range. The percentage of children completing primary school was slightly below targets and the percentage of enrolled students in EDUCATODOS was well above the target level – reflecting a general recovery in the education sector. The number of graduates from vocational training centers employed fell short this year, primarily because fewer students graduated. This reflects both the impact of Mitch, which caused temporary closure of some centers, and implementation problems that have now been corrected.

Performance and Prospects - In early 1999, the education sector was still in a state of confusion and turmoil as a result of Hurricane Mitch. The USAID-funded EDUCATODOS Program was suspended after the hurricane and it took time for the programs to start up in early 1999. Nevertheless, EDUCATODOS 1999 results were well above targets. Because of disruptions caused by Mitch and its management problems, the Mission's vocational training

program implemented by CADERH again fell short of its targets. Management action has already been taken to address these issues and accelerated programs to rapidly expand vocational training opportunities are part of the supplemental-funded reconstruction program. At this point, these activities appear to have rebounded from the negative effects of the hurricane.

Alternative Basic Education Programs - EDUCATODOS (Education for All), the alternative basic education delivery system for out-of-school youth and young adults, has made major progress in regaining lost ground and has exceeded its adjusted 1999 target for grade levels passed. As a result, targets for grades passed in EDUCATODOS and other alternative education programs for subsequent years have been increased. The efficiency rate of the EDUCATODOS Program also continues to improve. For 1999, the target for the percentage of enrolled students successfully passing grade levels in only the EDUCATODOS Program was 66%. The program met the target, achieving a percentage of 66.4%. EDUCATODOS also continued to meet its planned targets for average test scores on the standardized tests with an overall average score of 84%. Students in the EDUCATODOS Program continue to achieve higher test scores than students in either the regular primary education system or the other alternative basic education programs.

Currently, under supplemental funding, EDUCATODOS is expanding to Hurricane Mitch-affected areas (EDUCATODOS centers have already been established in transitional shelters). The Program is also developing educational materials to expand the program to grades 7-9 for use within both the traditional school-based basic education system and the alternative delivery system using interactive radio instruction (IRI).

Vocational Education - During this past year, USAID facilitated an historic agreement between the Instituto Nacional de Formación Profesional (INFOP) and CADERH under which INFOP will provide funding (from their allocation of a portion of national payroll taxes) to private vocational centers for a portion of their instructors' salaries and operating costs, thus contributing to the sustainability of the centers' future operations. The Mission's primary NGO counterpart in vocational education, CADERH, has made progress in resolving its management and administrative problems. By spring 1999, CADERH hired a new Executive Director, restructured its organization and management, and developed an approved Work Plan. By the end of the year, construction of three new vocational centers and expansion of another center had been nearly completed. Equipment for the existing and new centers has been purchased and will soon be installed. Several centers that dropped out of the CADERH network prior to 1997 are again part of the network. Nevertheless, CADERH has again fallen short of its graduation targets. During 1999, training centers constructed and assisted by CADERH produced only slightly more graduates employed than in 1998. The number of graduates from the centers will not increase significantly until the eight new training centers (i.e., those completed in late 1998 and those about to be completed) begin producing graduates in 2000 and 2001 even though enrollment in existing centers has also increased. With four additional centers nearing completion and starting classes this year and with five former centers returned to the CADERH network, further increases in enrollments are anticipated for this year. Demand for graduates remains high and a high percentage of graduates continue to be hired.

In 1998, the CADERH training centers had an overall 83% retention rate for students. In 1999, the retention rate for centers that have been operating for a number of years increased to about 90%. The newly constructed centers that began training activities during 1999 achieved a retention rate of about 68%. As these centers receive more assistance from CADERH and gain experience, they will also begin to improve their retention rates. Finally, the quality of the training provided is reflected in the numbers of students who are certified in their trades by CADERH. During 1998, CADERH certified only 363 people in their respective trades, but

during 1999 the total number of trainees certified increased to 1,125, which was a 200% increase in trade certification. This improvement should also contribute to increases in the number of graduates employed because more trainees certified in their trades indicates that the quality of training is improving and job placement opportunities will be enhanced.

USAID education programming complements supplemental-funded vocational center construction. The combined program will promote development of a network of up to 32 vocational training schools over the next few years and will graduate an estimated 3,000 students per year. This compares favorably with the 1,085 graduated in 1996. Vocational education has proven its capability of providing unemployed and underemployed youth with skills that improve their marketability in the labor market. EDUCATODOS materials are used in the vocational schools to help those students who dropped out of school before obtaining the level of basic education needed for their vocational program. Graduates from USAID-assisted vocational centers earn average income increases of approximately \$1,000 per year in a country with annual per capita incomes of less than \$750.

Education Reform - The destruction caused to the nation's education infrastructure (including schools, supplies, and the Ministry of Education headquarters) galvanized key actors to begin addressing long-standing issues in the education sector and provided the impetus for frank discussions between high-level Ministry of Education officials and interested groups and individuals in the private sector about problems in the sector. This opening of a dialogue on reform has been supported by USAID and other donors through a series of education reform seminars bringing together the Ministry, NGOs, teachers' unions, the media, and private sector representatives to discuss key themes associated with a potential reform agenda. The Ministry and civil society have now formulated proposals for further review. As Honduras now enters into a period of high political activity prior to the 2001 elections, this reform effort has already moved education issues onto the political agenda but it may become more politicized in the process.

Possible Adjustments to Plan - USAID's program is responding to the immediate needs of the MOE in the aftermath of Hurricane Mitch in coordination with other donors. Delays in full implementation of the World Bank's basic education project may require more significant USAID involvement in this area. USAID will also continue to work on improving educational policy through the strategy period with initial focus on developing and testing experimental strategies for reducing repetition rates in early grades. Policy efforts will focus on decentralization within the education system to improve the efficiency of the system and responsiveness to educational needs. Other policy issues that may receive USAID support include teacher-training programs to encourage more progressive teaching strategies and criterion- referenced evaluation systems to assist teachers in making pass/fail decisions.

Other Donor Programs - A World Bank project, funded with Germany, addresses many key areas critical to the improvement of formal primary education in Honduras, including teacher training, textbook printing, school construction for primary grades (1-6) and local community participation in school management and operations. A new activity of the IDB works to expand access to middle schools (grades 7-9) in the formal system through construction of new classrooms for these grades to be added onto existing primary schools. Current projects with the World Bank, IDB, and the German Development Agency provide more than \$60 million in loans and grants, but implementation is slow.

Principal Contractor, Grantees, or Agencies - Ministry of Education, Advisory Council for Human Resource Development (CADERH), Maduro Foundation for Education (FEREMA).

Future Directions – Fundamental **education reform** is clearly needed to address the most serious issues facing the Honduran education system. Though the emerging post-Mitch reform process may get caught up in election politics, it could create an important foundation for major change in a new administration. USAID has long been a leader in the education sector and will support the reform effort through operational support for a reform commission, consultants, and technical assistance to address emerging reform issues. Once reforms are enacted, USAID will coordinate with other donors to support their implementation. Reforms under discussion include broader pre-school coverage, curriculum reform, improved quality to reduce repetition/dropouts, decentralization, student performance standards, teacher training, and non-formal education.

Involvement in the formal education system- USAID's strategy in the education sector has been largely determined by the presence of other major donors (World Bank and IDB) focused on the formal education system. However, these programs have been poorly implemented and largely ineffective. The formal basic education system suffers from persistent quality problems highlighted by unacceptably high repetition and dropout rates. Other than a few pilot projects, USAID has not been working in a major way within the formal system. USAID's future strategy will identify interventions to address key problems in the formal system or serve as a starting point for more fundamental change but will take into account the current and future activities of the other donors so as to avoid duplication or overlap. Areas under consideration include:

- Development and implementation of standardized tests to determine student progress and evaluate the quality of teachers and schools. Limited use of clear standards in evaluating student progress contributes to high repetition. Aggregated information on student progress can serve as a tool for teacher evaluation and provide information on school performance.
- Interactive radio and TV to improve the quality of teaching Interactive radio and pilot TV programs have proven effective in improving performance in math and other subjects.
- Teacher training and support Some pilot in-service training and mentoring programs have proven successful and could be expanded. Calendarization of the basic curriculum, with appropriate use of standardized tests, could address systemic problems in early grades.
- Development of middle-school curriculum USAID has already basically financed the development of the middle school curriculum as it has worked to develop EDUCATODOS materials for grades 7-9. Additional assistance can develop materials for the formal system.

Alternatives to the formal system – USAID's current strategy is largely oriented toward alternative education programs and this would likely be a continuing part of the Mission strategy:

- EDUCATODOS Rapid expansion of EDUCATODOS programs financed with supplemental funds will need continuing support after the limited timeframe for U.S. reconstruction activities. This has been a very successful program that deserves continued support.
- Community Pre-Schools Quality preschool programs have demonstrated significant positive impact on learning ability in early grades (where most repetition occurs in Honduras) and promotes early school enrollment, thus reducing older students in lower grades (which contributes to repetition). USAID will look at developing a significant program of support for community pre-schools through links to NGOs or other appropriate institutional partnerships.

Vocational Education – After the supplemental program, significant further investments in vocational education infrastructure (e.g., construction and equipment) should not be required. However, some additional technical assistance will be required for CADERH and the vocational system to assure effective operations and sustainability.

		tunity to Obtain Basic Education				
APPROVED:		Completing Overlity Drive and Education		/ORGANIZ	ATION: USAID/H	onduras
		Completing Quality Primary Education BER OF GRADE LEVELS PASSED E		CTUDENT	e ini the	
		ELIVERY SYSTEMS (ABEDS)	ACH TEAR DI	STUDENT	S IN THE	
	Number of Grade Levels	, ,	Year		Planned	Actual
			Baseline	1993		
SOURCE: Mir	nistry of Education (MOE)	. Basic Education and Skills		Total		900
	ct (BEST/522-0388). Dat			Female		400
		stics. EDUCATODOS data is		Male		500
available in Ja	anuary of each year.		1994	Total	2,000	4,900
INDICATOR	NESCRIPTION: This indica	ator tracks the number of grade		Female	1,000 1,000	2,500 2,400
	l each year for nine level	· ·	1995	Male Total	20,000	22,000
	•	ne levels are the equivalent of	1995	Female	10,000	12,000
		on system. This indicator does		Male	10,000	10,000
not necessari	ly represent the number	of students because some may	1996	Total	40,000	43,000
•		hile others may take two or more		Female	20,000	22,400
		ovides a measure of the level of		Male	20,000	20,600
		grade levels passed rather than	1997	Total	49,000	53,000
the actual nur	mber of individuals enrolle	ed in the programs.		Female	25,000	27,000
PERFORMAN	ICE: EXCEEDED (Both F	emale and Male)	4000*	Male	24,000	26,000
I Litti Ortani	CAOLLDED (DOIN)	critate and Male)	1998*	Total	60,000	41,242
COMMENTS:	Other alternative basic of	education delivery systems		Female Male	30,000 30,000	20,024 21,218
(ABEDS) include programs run by NGOs, night schools, and a program entitled <i>Primaria Acelerada</i> . The breakdown of data for		1999	Total	55,000	65,481	
		1000	Female	27,500	33,440	
		programs is shown below. The		Male	27,500	32,041
		between the table below and to	2000	Total	70,000	***
the right is du	e to rounding.			Female	35,000	
1996	EDUCATODOS	15,553		Male	35,000	
1000	Other ABEDS	27,847	2001	Total	75,000	***
		43,400		Female	37,500	
				Male	37,500	
1997	EDUCATODOS	24,336	2002	Total	80,000	***
	Other ABEDS	<u>28,695</u>		Female	40,000	
		53,031	2002	Male	40,000	***
1000	EDITOATODOS	15,197	2003	Total Female	90,000 45,000	
1998	EDUCATODOS Other ABEDS	26,045		Male	45,000	
	Other ADEDO	41,242	Target	2004	10,000	***
			raigot	Total	100,000	
1999	EDUCATODOS	38,159		Female	50,000	
	Other ABEDS	<u>27,322</u>		Male	50,000	
		65,481				
* As a result of Hurricane Mitch, the project fell significantly short in achieving targets for 1998 and the targets for subsequent years were lowered. EDUCATODOS has regained lost ground and exceeded the revised 1999 target. As a result, targets for subsequent years have been increased. EDUCATODOS must continue to improve the efficiency of the program, expand into additional departments, and resolve problems of delayed salary payments for the project promoters,						
	utes to their ineffective p					

OBJECTIVE NO. 6: Improved Opportunity to Obtain Basic Education and Vocational Skills APPROVED: 10/99 COUNTERESULT NAME: 6.1 More Hondurans Completing Quality Primary Education COUNTRY/ORGANIZATION: USAID/Honduras

INDICATOR: 6.1.b. INCREASED PERCENTAGE OF ENROLLED STUDENTS SUCCESSFULLY PASSING GRADE LEVELS THROUGH EDUCATODOS ONLY

UNIT OF MEASURE: Percentage of students successfully passing grade levels

SOURCE: Basic Education and Skills Training Project (BEST/522-0388). EDUCATODOS data are available in January of each year through the BEST Project monitoring information.

INDICATOR DESCRIPTION: This indicator measures both efficiency and quality. It complements the indicator that measures actual numbers of students passing grade levels.

PERFORMANCE: MET (Both Female and Male)

COMMENTS: Following the 1997 midterm evaluation of the program, EDUCATODOS (using interactive radio) achieved significant improvements in the internal efficiency of the system. For the first period of 1998, the internal efficiency of the system increased to 65%. Because the program was suspended after Hurricane Mitch, efficiency data for fall 1998 was not available and the percentage reported is only for the first period of 1998. Nevertheless, the improvement for the first period of 1998 is important and has other implications. For example, many of the costs of the program are fixed and, with increased efficiency, the cost per grade level passed by a participant was reduced from approximately \$34 for one grade level in 1997 to \$28 for one grade level for 1999. In addition, the program is identifying key factors associated with improvements in efficiency rates for replication, which should result in further improvements in the cost-effectiveness of the system.

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	Year		Planne	∍d	Actual	
	Baseline	1996 Total Female Male			62.0	60.4 62.6
	1997	Total Female Male	62.0	62.0 62.0	55.0	54.8 55.2
	1998	Total Female Male	63.0	63.0 63.0	65.0	65.5 64.2
	1999	Total Female Male	66.0	66.0 66.0	66.4	67.7 66.1
	2000	Total Female Male	67.0	67.0 67.0	*	**
	2001	Total Female Male	68.0	68.0 68.0		**
	2002	Total Female Male	69.0	69.0 69.0		***
	2003	Total Female Male	70.0	70.0 70.0	*	**
	Target	2004 Total Female Male	71.0	71.0 71.0	*	**

OBJECTIVE NO. 6: Improved Opportunity to Obtain Basic Education and Vocational Skills APPROVED: 10/99 COUNTRY/ORGANIZATION: USAID/Honduras

RESULT NAME: 6.3 More Hondurans Acquiring Marketable Skills for Employment

INDICATOR: 6.3.a. INCREASED NUMBER OF GRADUATES FROM PVO AND MUNICIPAL TRAINING CENTERS EMPLOYED EACH YEAR

UNIT OF MEASURE: Annual Number of Graduates Employed

SOURCE: Basic Education and Skills Training Project (BEST/522-0388).

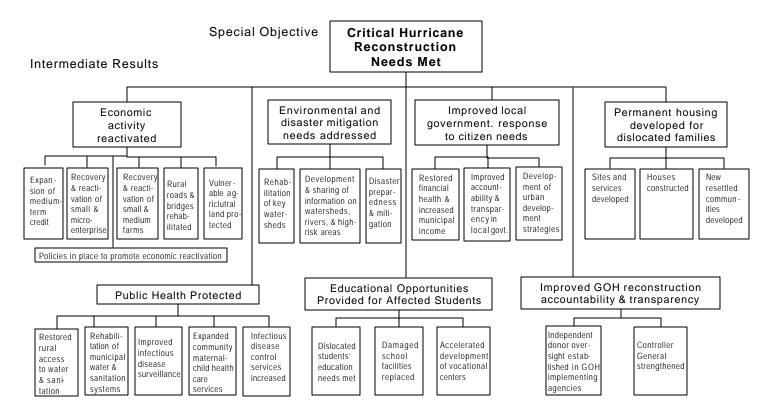
INDICATOR DESCRIPTION: This indicator reflects the total number of graduates from PVO and municipal training centers employed annually.

PERFORMANCE: FELL SHORT (Both Female and Male)

COMMENTS: Progress on this indicator fell short of the target, which was lowered in 1998 since CADERH did not meet the 1998 targets. The graduates of the vocational centers are in high demand and about 90% obtain employment after graduation. The reason the target is not being met is that the vocational centers have not produced sufficient numbers of graduates in order to meet the target. However, previous implementation problems that have had a negative effect on the performance of the activity have been resolved during 1999. For example, CADERH hired a new Executive Director and other staff and restructured its overall management. Three new vocational centers and one center expansion are nearly completed as of February 2000 and equipment has been purchased and installed or is about to be installed. Nevertheless, this turn-around in resolving its management problems has not yet had a far-reaching effect on the performance of the vocational centers in CADERH's network and, consequently, there has not been any significant increase in the number of graduates from the centers this year. CADERH must continue to improve its technical assistance to these centers, which must continue to increase enrollments and improve efficiency to increase the numbers of employed graduates. As more new centers come on line, improvements in meeting the planned targets are expected. However, the target for 2000 has been kept the same as for 1999 since it will still take some time for improvements in enrollments and retention rates to bring about an increase in the number of graduates.

Year		Planne	d	Actual	
Baseline	1994 Total Female Male	-		1,202	366 836
1995	Total Female Male	1,200	360 840	938	319 619
Baseline	1996 Total Female Male	1,200	372 828	1,085	360 725
1997	Total Female Male	1,200	350 850	1,082	353 729
1998	Total Female Male	2,000	660 1,340	878	156 722
1999	Total Female Male	1,100	400 700	904	241 663
2000	Total Female Male	1,100	400 700	**	
2001	Total Female Male	1,500	650 850	**	
2002	Total Female Male	1,900	900 1,000	**	**
2003	Total Female Male	2,500	1,100 1,400	**	**
Target	2004 Total Female Male	3,000	1,300 1,700	**	**

USAID/Honduras Critical Hurricane Reconstruction Needs Met, 522-SpO



USAID/Honduras Self-Assessment: Varies by component – Most supplemental-funded reconstruction activities are in implementation and major results achievement is expected over the next 12 months. Mobilization of activities in some areas (e.g. housing and some credit and agriculture technology transfer programs) has been rapid whereas infrastructure programs involve a period of assessment, design, and bidding, before construction can begin. Procurement documentation was developed parallel to the design effort to get implementation moving quickly and most of the program is moving forward rapidly. However, bundling construction projects and developing documentation to make them more attractive to U.S. firms, the learning curve for USAID and its primary implementing entity, FHIS, plus the limited initial absorptive capacity in the Mission and FHIS, have all served to delay implementation of major urban water and sanitation infrastructure. Some activity designs were slowed by the challenges in addressing difficult technical issues and developing appropriate accountability and transparency measures.

Summary. This special objective focuses supplemental funds on the key reconstruction challenges facing Honduras after Hurricane Mitch. The hurricane destroyed the homes, farms, and businesses of thousands of Hondurans. Credit and technical assistance are needed for microentrepreneurs, and small and medium farmers and entrepreneurs to rebuild productive infrastructure and become productive again. Rural roads and bridges must be rebuilt so Hondurans can bring in the inputs they need and transport their production to markets. Land flooded by the hurricane must be reclaimed and protected. Watersheds devastated by the hurricane must be rehabilitated and effectively managed to prevent future erosion. Geographic information critical for reconstructing infrastructure and preventing future disasters must be gathered and shared. Municipal governments must be strengthened to play a critical role in

reconstruction and recover from the financial problems caused by responding to Mitch. Water and sanitation infrastructure that was destroyed throughout the country must be rebuilt. Critical primary health services are needed in areas affected by the hurricane. Permanent housing is needed for thousands of dislocated families, along with basic infrastructure, and transitional or temporary housing is needed until those permanent units are available. School facilities must be repaired and constructed for relocated families. Rapid expansion of alternative basic education and vocational programs are required to meet the needs of dislocated students and develop skills needed for reconstruction. Disaster mitigation infrastructure, including storm drains and levees, must be built and disaster preparedness systems put into place to prevent future disasters of this scale. To prevent corruption associated with major flows of foreign assistance, mechanisms for accountability and transparency must be developed and implemented.

Key Results: Though significant results have been achieved with reprogrammed funds in areas associated with the supplemental-funded program (see Accomplishments, page 5), most supplemental-funded activities are early in implementation and significant results achievement is expected over the next 12 months. Results with supplemental funding include over 1,000 temporary houses constructed for displaced families along with emergency shelters for another 210 families. Some 140 rural water systems have been rehabilitated and over 1200 latrines constructed in rural communities. Small and medium farmers have received 37 loans valued at \$346,000.

Performance and Prospects: As of March 31, 2000 over 97% of the \$291 million in supplemental funds will have been obligated. The Mission completed eleven major designs in record time and developed procurement documentation concurrently to move rapidly into implementation. As of March 31, more than 83% of the \$291 million (\$242 million) will be in the hands of implementing entities to move forward with supplemental-funded activities

To promote *economic reactivation*, USAID has provided a grant to the Covelo Foundation to finance the recapitalization of microfinance institutions so they can provide short and mediumterm credit to micro and small businesses in Mitch-affected areas; disbursement to microentrepreneurs is expected in early April. An Agriculture Recovery Credit program was just signed to provide medium-term credit through commercial banks to producers of key export crops. Grants made to a credit union association and cooperative association are helping small farmers and businesses reactivate, so far resulting in 37 loans valued at \$346,000. NGOs and private entities providing technical assistance to small and medium agricultural producers and businesses have received grants and mobilized their programs. A recently signed program to protect vulnerable agricultural land will help farmers reclaim damaged land, provide early warning for future floods, and construct priority infrastructure to protect productive agricultural systems. USAID is also financing repairs and reconstruction of up to 1,250 kilometers of unpayed farm-to-market roads and 1,400 linear meters of two-lane concrete bridges in the six departments most affected by the hurricane: Atlántida, Choluteca, Colón, Olancho, Valle, and Yoro. Contracts for over \$18 million for the initial stage of this work were signed in March and contractors are now mobilizing.

A large portion of USAID's reconstruction assistance focused on *protecting public health* supports repair of urban and rural water and sanitation systems to assure potable water, safely dispose of sewage, and prevent disease. Design work for \$33 million in urban infrastructure projects was completed with reprogrammed funds and construction proposals from prequalified bidders are now being solicited. Some 140 rural water systems have been rehabilitated and over 1200 latrines have been constructed. USAID is financing repairs to

hurricane-affected health centers and replacing equipment in these centers, as well as supporting Ministry of Health training programs that focus on maternal-child health and improved disease prevention, surveillance and control to help improve health conditions in Mitch-affected areas. A training team is now traveling around the country planning all the training courses and preparations are underway for a major child health campaign to reduce child mortality that is scheduled for June.

To meet the *education* needs of displaced students, USAID has contracted a U.S. firm to develop the rapid expansion of distance learning efforts including developing the new 7th-9th grade curriculum for the Ministry of Education's EDUCATODOS alternative basic education delivery program. Inauguration of the initial 7th grade lessons will begin in early April in up to 20 pilot sites that will include regular EDUCATODOS centers, private sector companies, NGOs, vocational training centers in the CADERH network, and regular schools that do not offer classes past the 6th grade. USAID has contracted another U.S. firm to manage the accelerated development of vocational centers and is working with FHIS to rehabilitate damaged schools to help meet the education needs of Mitch-affected families.

To meet urgent *housing* needs, USAID/Honduras has provided grants to the International Organization for Migration (IOM) to manage transitional shelters in nine municipalities. IOM has built new emergency shelters for 210 families and distributed 430 emergency kits to families in shelters. IOM has also financed provisional water services in shelters, road access to shelters, repair and maintenance of water and sanitation systems including new latrines, construction of drainage systems, construction of schools and clinics in shelters, and administration and supervision of shelter communities. CHF has built 1,000 temporary homes and 378 latrines. Major grants have been signed to finance NGO programs to construct permanent housing for resettled communities, and initial construction work is underway.

In the area of *environment and disaster mitigation*, USAID/Honduras has signed a contract with a U.S. firm to manage the watershed rehabilitation program and a grant to a local university to help in the creation of a database of geographic information and an information clearing house for natural resource management and disaster preparedness. The program finances training and technical assistance on land use control and improved forestry management in upper watersheds and works with the USGS on the installation of streamflow monitoring stations and development of a Geographic Information System of base maps, aerial photography, river topography, hydrologic data, and risk maps. Training for local officials and communities in evacuation warning systems and risk management, and construction of storm drains will improve disaster preparedness and mitigation.

USAID has helped the national disaster response agency, COPECO, develop an action plan and reach a broad national consensus on a institutional strategy for a risk management and disaster prevention system which involves a network of public and private entities at the national, municipal, and community levels.

USAID works closely with various local partners to promote *municipal development* through the implementation of infrastructure projects focused on water, sewer and storm drainage systems. USAID also provides technical assistance and training to municipalities on issues related to reconstruction, restored financial health and increased revenue, urban development strategies, risk management and disaster mitigation, municipal administration, and internal controls.

USAID will assist in the *transparent and accountable use of reconstruction funds* by supporting the establishment of independent oversight mechanisms for Honduran Government implementing agencies, strengthening the capacity of the Honduran Controller General, financing external RIG audits, fortifying internal USAID oversight capacity and supporting accountability and transparency activities at the municipal level.

Possible Adjustments to Plans: The USAID/Honduras reconstruction program was developed to meet the most pressing reconstruction needs of Honduras through December, 2001. Most activities are projected to accomplish their results prior to that date. However, some programs may need additional time to complete all planned activities. Construction activities, in particular, may require an additional dry season in early 2002 to complete all planned work.

As noted in the discussion of Mission Strategic Objectives, some activities that were initiated with supplemental funds will require follow-up funding and integration into the Mission's strategy to enhance the sustainability and long-term impact of those programs.

Other Donor Programs: USAID has worked closely with bilateral and multilateral donors, as well as with the GOH and private sector partners, to carry out sectoral needs assessments in the aftermath of Mitch and in developing a reconstruction strategy. USAID's operational and technical support to UNAT has been instrumental in helping the GOH establish priorities and facilitating effective donor coordination. A donor coordination mechanism growing out of the Stockholm Consultative Group meeting has been meeting regularly and is organized by sector at the working level.

The IDB and World Bank are planning major infrastructure programs, including repairs to the principal transportation network and repair of major levees. Key bilateral donors, especially the Swedes and Japanese, are also involved in replacing important bridges on the primary transportation network. The World Bank emergency flow of \$200 million has been used to develop a credit program to finance recovery of key export crops. The IDB has made available funds for municipal development and reconstruction activities in the primary cities of Tegucigalpa and San Pedro Sula. Various other donors (e.g. Spain, Sweden, UNDP) are involved in municipal development activities in secondary and smaller cities throughout Honduras. PAHO is carrying out a collaborative program with the U.S. Center for Disease Control (CDC) focused on disease surveillance.

Various other USG agencies are also using supplemental funds provided through USAID for complementary reconstruction programs. The USGS is carrying out a comprehensive program of developing geographic and hydrologic information, risk assessments and early warning systems and is also working closely with NOAA and the U.S. Army Corps of Engineers (USACE) in this work. USACE will also provide technical assistance on infrastructure design and will help oversee the construction of priority river basin flood control infrastructure. The DOT is carrying out a port assessment and FEMA is working with USAID's Office of Foreign Disaster Assistance (OFDA) to focus on disaster preparedness and mitigation efforts. The USDA will be working closely with USAID in watershed management and land reclamation activities as well as food safety issues. HUD will be focused on municipal planning and housing issues in Tegucigalpa and San Pedro Sula, along with assistance to NGOs related to housing micro-finance. EPA will provide assistance on water quality issues and the CDC will provide assistance in developing disease surveillance and information systems. OPIC and EXIM Bank will use supplemental resources to promote investment. The State Department's INL Bureau is implementing anti-corruption activities and OAS is carrying out demining efforts. Peace Corps is using

supplemental funds to focus on key reconstruction areas such as water and sanitation, municipal development, agricultural development, housing, and small business recovery.

Principal Contractors, Grantees and Agencies: Much of the urban water and sanitation, municipal storm drains and other disaster mitigation infrastructure, rural road and bridge construction, and school repair work will be carried out through host country contracting implemented by the Honduran Social Investment Fund (FHIS) using U.S. or local private sector firms. The National Autonomous Water and Sanitation Service (SANAA) is the key implementer for rural and some urban water and sanitation activities. Barents, Inc. and CARANA are involved in managing and overseeing finance activities with commercial banks, credit cooperatives, and micro-finance institutions. Covelo Foundation is the major grantee for micro-enterprise credit. Zamorano, FHIA, FINTRAC, and Land O'Lakes are involved in agricultural technology transfer and FINACOOP and FACACH manage agricultural and small business credit programs. IOM, CHF, and Samaritan's purse are the primary partners in housing; CHF is managing a program of grants to other NGOs for development of permanent housing. Development Alternatives, Inc. is managing the watershed management program and will provide grants to various NGOs for work in this area. UNITEC will implement the geographic information clearing house, manage the geographic and hydrologic databases, and provide training and technical assistance to a broad GIS data users group. PADF will manage community-based flood early warning systems in the Aguan River Basin. The American Institute for Research is managing expansion of education programs and DevTech is involved in accountability/transparency efforts. An institutional contractor will manage a crosscutting program of reconstruction activities through grants to community-based NGOs. World Learning will manage U.S.-based participant training activities.

NOTE: Detailed information on the progress and achievements of the supplemental-funded reconstruction program are provided through quarterly updates of the Hurricane Reconstruction Tracking System. The Mission will be updating this information through March 31, 2000 in early April. Rather than attach less current data to this R4, we suggest using this update as an annex to the above information during the review process.

RESOURCE REQUEST

Program Resources

Based on the needs for an ongoing development program in Honduras focused on transformation in the aftermath of Mitch and support for the GOH Poverty Reduction Strategy, plus the additional needs for follow-on reconstruction activities, USAID/Honduras requests \$45.5 million in Development Assistance funds for FY-2000. This request level represents an increase of \$19 million over control levels provided by the Bureau and will be required to meet USAID's ongoing contribution to the hurricane reconstruction process in the aftermath of supplemental funding of Special Objective activities. The needs for resources above and beyond the maintenance level required for the ongoing program before Mitch are found primarily in the following areas:

- Agricultural Reactivation For follow-on activities in support of agricultural reactivation beyond the timeframe of the Special Objective, the Mission will need \$4 million beyond the control levels in 2002. This will largely go to extend NGO programs in agricultural and agribusiness development and diversification in areas most affected by Mitch.
- Watershed Management The Special Objective embarks the Mission on a major program in support of improved watershed management, including working with NGOs and municipalities in various activities. These efforts will not be completed during the Special Objective timeframe and will require significant budget support after that period to achieve real impact. We estimate that an additional \$3 million above the control level will be required in 2002.
- **Public Health** –Rural water and sanitation systems have had significant impact on infant and child mortality and additional funds are needed to complete the effort to rehabilitate these systems after the limited time frame of the Special Objective. We estimate an additional \$2 million beyond control levels will be required for 2002.
- **Family Planning** The Mission plans a major initiative to provide family planning services in rural areas where fertility rates are highest and contraceptive use is low. An additional \$1 million is requested to finance the additional costs of this rural outreach effort.
- Municipal Development As noted in the Strategy Update section, various aspects of the municipal development effort will require additional funding after the Special Objective, especially disaster preparedness activities, and continued work on disaster mitigation infrastructure and water and sanitation systems. We estimate that an additional \$2 million beyond the control level will be required in 2002 to carry out expanded core municipal development activities. An additional \$5 million is requested to finance priority water and sanitation or disaster mitigation infrastructure not addressed as part of the supplemental-funded program. If DA funds are not available for infrastructure financing, the Mission and the LAC Bureau can explore the feasibility of using an allocation of Development Credit Authority (DCA) to help meet these financing needs.
- Rule of Law/Accountability The Mission will require an additional \$2 million to respond
 adequately to the reform efforts now underway in the judicial sector. The Mission also
 requests an additional \$2 million in 2001 to support implementation of the new Criminal
 Procedures Code (CPC). USAID supports an allocation of ESF resources to Honduras to

cover USAID-funded programs if sufficient DA resources are not available and for police training required for effective implementation of the CPC, likely implemented by ICITAP.

These additional resources will be required for obligation in early FY-2002. The Mission requests this level of budget resources be included in the LAC Bureau Budget Submission for Honduras as an essential element of the Mitch Hurricane Reconstruction effort, complementary to short-term supplemental funds.

Budget Tables outlining the Mission's budget projections follow. Levels for FY-2001 are shown both at the control and request level.

Project Number	Project Name	OYB FY-00	CP FY-01	Requested Increase	R4 Request FY-01	R4 Controls FY-02	Requested Increase	R4 Request FY-02
Strategic Obi	ective 1 - Econ Growth & Poverty Reduction							
522-0395	Economic Policy & Productivity Program	3 900	3 290		3 290	4 000	4 000	8 000
522-0399	Small Farmer Export Development	0	0		0	0	,	0
522-0000	Project Development & Support	0	0		0	0		0
	Total SO1	3,900	3,290		3,290	4,000	4,000	8,000
Special Object	Ctive 2 - Environment							
522-0385	Honduran Environmental Protection Fund *	1.200	1.255		1.255			0
522-0246	Forestry Development *		618		618			0
522-0415	Watershed Management		2 327		2 327	3.000	3.000	6.000
V V - IV	Total SpO2	1,200	4,200		4,200	3,000	3,000	6,000
Strategic Ohi	ective 3 - Health and Population							
522-0216	Health Sector II	0	0		0			0
522-0389	Private Sector Population Program III	2.521	4.041		4.041	3.100	1.000	4.100
522-0403	Health Sector III	3 580	4 255		4 255	4 770	2 000	6,770
	Global Field Support	2 257	5.580		5.580	3,130	0.00	3,130
598-0000	Program Development & Support (IRM) - SETA	75				0,700	Ĭ	0,700
	TOTAL DA for SO3	8.433	13.876		13.876	11.000	3.000	14.000
	PL-480 Title II (Estimated)	7.346	5.100		5.100	5.100	·	5.100
	Total SO3	15,779	18,976		18,976	16,100	3,000	19,100
Strategic Ohio	ective 4 - Rule of Law							
522-0394	Strengthening Rule of Law	1,500	1,800	2,000	3,800	2,000	2,000	4,000
Strategic Ohi	ective 5 - Municipal Development							
522-0340	Municipal Development (Core program)	2.500	2.100		2.100	3.000	2.000	5.000
522-0340	Municipal Development (Infrastructure)	. 0	0		0	0	5.000	5.000
	Total SO5	2,500	2,100		2,100	3,000	7,000	10,000
Strategic Obje	ective 6 - Education							
522-0388	Basic Education & Skills Training	2,500	2,500		2,500	3,500	0	3,500
Total Mission	•	17,701	22,186	2,000	24,186	23,370	19,000	42,370
Total Global (•	2,257	5,580	0	5,580	3,130	0	3,130
Total Other N	lon-LAC Obligations	75	0	0	0	0	0	0
	VELOPMENT ASSISTANCE	20,033	27,766		29,766		19,000	45,500
PL-480 Title II		7,346	5,100	0	5,100	5,100	0	5,100
PI -480 Title II	<u> </u>	0	0	0	0	0	0	0
	Total OYB	27.379	32.866	2.000	34.866	31,600	19.000	50,600

Workforce and Operating Expense Resources

Prior to Hurricane Mitch, the USAID Mission was responsible for managing a modest and fairly straight-forward development program in Honduras. After Mitch, the Mission faced, and has met, the challenge of continuing to manage a development program while absorbing an over 10-fold increase in new resources in support of the reconstruction effort—resources that dwarfed those devoted to the Mission's "regular" program. USAID/Honduras has designed and is directly managing over \$400 million in program resources. The Mission has not allowed itself to be bowled over by the challenge and has managed its limited workforce and operational expense levels in such a manner as to be able to provide the support necessary to implement and adequately monitor its mammoth program. This judicious use of resources will continue into the future as USAID/Honduras negotiates an important transitional phase (pre-Mitch to post-Mitch) during this R-4 period. With only modest increases in staffing and OE resources, Mission personnel have given new meaning to the well-worn cliché of "doing more with less". The Mission has been recruiting 28 new employees in support of the reconstruction effort and received approximately \$1.7 million in OE supplemental resources (to cover a three year period), approximate increases of 22 percent in staffing and 17 percent in OE resources. When taken in the context of the huge increase (from \$20.0 million to \$400.0 million) in the Mission's program levels, the Mission's ability to manage the program with only these modest staffing and OE resource increases is, indeed, remarkable.

As part of the reconstruction process, fourteen U.S. Government Agencies have been provided with resources to allow them to participate to varying degrees. The USAID Mission was charged with providing the greater part of the support that those agencies would need in order to function effectively in the reconstruction effort. After reviewing the options, which were quite limited, the Mission determined that the best approach would be to make use of the ICASS support structure which has been implemented world-wide over the last few years. USAID/Honduras has become the only USAID Mission to be approved as an ICASS service provider for multiple services. While this will solve the problem of how to support participating agencies after mid-year 2000, assistance to these agencies has created additional demands on our already limited OE and staff resources.

OE Budget Overview and Impact - Our FY 2000 budget is \$200,000 below our minimum requirements and \$300,000 below our FY 1999 actual level of \$3,358,000. We have already eliminated all but the most essential of our planned NXP procurements which are detailed in the Capital Investments Table. The funds remaining in our procurement budget are sufficient to cover expenditures to date in FY 2000, plus sufficient funds to cover required upgrades in our computer systems. This year will see a major migration from the now obsolete Banyan Vines system to Windows NT. This, coupled with IRM's plans to increase communications bandwidth and the fact that our internal network is already inadequate, dictates the necessity for significant upgrading. This year, we must re-wire our patched-together network with a new 100BaseT transmission cable with a fibre-optic backbone cable, install new, intelligent switching devices and purchase at least two NT-capable servers.

The Mission can only manage to comply with the existing FY2000 funding levels by eliminating all of its forward funding for FSN and US PSC salaries. This action places the Mission in an extremely difficult position of not being able to cover minimum termination notice requirements of 60 days for FSN and 15 days for US PSCs. The 60 day termination notice

requirement for FSNs is imposed by Honduran law¹. In order to avoid any possible funding violation at the end of September 30, 2000 and subsequent fiscal years, we request an immediate increase of at least \$200,000 in our FY2000 funding levels. This increase will help us avoid a situation in which we would have to issue termination notices to all of our FSN employees on October 1 (in the event of no appropriation) and pay over \$1.0 million in required **involuntary** severance benefits¹.

In the "out" years, it will be impossible to manage our program with a straight-lined budget, and this is reflected in our bare bone minimum requests. In spite of our best efforts to control costs and recycle resources, we still find that for FY 2001, our requested level exceeds the FY 2000 level by less than seven percent, while the request for FY 2002 exceeds the FY 2001 level by just over eight percent. The rate of inflation in Honduras hovers around twelve to fifteen percent, while the Lempira is holding fairly steady against the dollar with less than 6 percent annual depreciation over the last two years. This creates a situation in which our dollar resources begin to lose value, creating, in real terms, steady escalation in basic operating costs. In addition, utilities, which have been fairly heavily subsidized in the past, are moving toward more commercial rate structures, which will bring about significant increases in critical areas such as electricity, water, telecommunications, and fuel. Already in this CY. electricity rates have been hiked by between 15 and 20 percent, with additional increases to be phased in throughout the year. Phone rates are rising drastically as subsidization of local calls ends in preparation for privatization of the Honduran telecommunications monopoly. Fuel prices have also risen, and this can be expected to continue given current rises in the price of petroleum products world-wide. Additionally, staffing costs alone will rise as a result of such routine items as step-increases and required increases in benefits costs that are builtin to benefit-provider contracts. And this doesn't take into consideration the strong likelihood of a **substantial** salary adjustment at some point during the next two years—the last FSN salary adjustment was in October, 1997, well before Mitch threw the local economy for a loop.

If the requested resource levels are not provided, we will be placed in a highly vulnerable situation *vis a vis* management controls. We would have to make drastic cuts in almost every object class. We would be unable to meet payroll obligations, and we would have to virtually abandon any semblance of procurement planning since we would have no resources available to replace "dilapidated" NXP. Even the requested levels are insufficient to meet some of our projected needs. For example, our FY2002 OE budget levels do not contemplate among other things, the following:

- a) An increase in office rent nor the need for additional funds to cover the effects of the departure of Emergency Supplemental OE and Program funded staff who share a portion of such costs:
- Replacement of our utility vehicles, such as the warehouse moving truck and our maintenance truck, which are already over 12 years old. If these or other vehicles don't hold up, the Mission will require additional resources in order to replace them;

¹ Under Honduran Labor Law, employees must be given 60 days notice of termination (or 60 days' pay in lieu of notice). With involuntary separation (except for cause) employees are also entitled to a very generous severance package. If, because funds were not available to cover salary liabilities for whatever reason, we had to issue notices of termination to FSN employees, they would automatically become entitled to these severance benefits **even if the termination notices were later lifted**. The potential liability to the Mission in this event would be over \$1million. If such a situation were to occur, we estimate that as many as 30% of our FSN employees would elect to take their severance pay and leave, which would be disastrous for mission operations and our ability to manage our program.

c) Replacement of our office generator and UPS systems which are also aging (ten and twelve years, respectively).

Although the above demands have not been budgeted for during this R-4 period, we do want to make USAID/W aware of them and of the possible need for additional OE resources if and when these potential requirements become a reality.

The following tables illustrate the proposed budgetary changes from year to year, with explanations provided for all variations.

			СОМРА	RISON I	FY2000 / FY2001
	BUD.	BUD.	INC/	% INC/	
OC DESCRIPTION	FY2000	FY2001	(DEC)	(DEC)	CAUSES FOR VARIATIONS
11.1 PERSONNEL COMPENSATION	201.7	225.4	23.7	12	Minimum salary adjustment, and required step and benefit package increases .
11.5 OTHER PERSONNEL COMPENSATION	17.1	17.4	0.3	2	Straight lined.
11.8 SPECIAL PERSONNEL SERVICES PAYMT.	976.1	1245.5	269.4	28	No forward funding from previous year and those for OC 11.1
12.1 PERSONNEL BENEFITS	150.4	147.8	(2.6)	(2)	Decrease in the number of education allowances and in other Miscellaneous USDH benefits
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	136.9	135.8	(1.1)	(1)	Straight lined.
22.0 TRANSPORTATION OF THINGS	41.1	19.9	(21.2)	(52)	Post Assignment & Home Leave travel decrease.
23.2 RENTAL PAYMENTS	513.4	541.8	28.4	6	Projected rent increase.
23.3 COMMUNICATIONS, UTILITIES & MISC.	200.4	231.3	30.9	16	Projected utilities rate increase.
24.0 PRINTING & REPRODUCTION	17.1	18.3	1.2	7	Inflation (net of projected decrease in consumption)
25.2 OTHER SERVICES	150.5	159.9	9.4	7	Inflation (net of projected decrease in consumption)
25.3 ICASS	125.1	131.4	6.3	5	Projected increase in cost.
25.4 OPERATION/MAINTENANCE FACILITIES	41.1	47.1	6.0	15	Inflation and minimum wage increases.
25.6 MEDICAL CARE	1.0	1.1	0.1	10	Minimum projected cost increase.
25.7 OPER/MAINT OF EQUIPMENT	76.9	82.0	5.1	7	Minimum projected cost increase.
26.0 SUPPLIES & MATERIALS	153.0	153.0	-0-	-0-	Straight lined.
31.0 EQUIPMENT	245.6	100.0	(145.6)	(60)	Purchase of badly needed IT equipment in FY-00 (See narrative).
TOTAL	3,047.4	3,257.7	210.3	6.9	

				COME	PARISON	I FY2001 / FY2002
		BUD.	BUD.	INC	% INC/	
<u>oc</u>	<u>DESCRIPTION</u>	FY2001	FY2002	(DEC)	<u>DEC</u>	CAUSES FOR VARIATIONS
11.1 PERS	ONNEL COMPENSATION	225.4	252.7	27.3	13	Same as for OC 11.1 in previous table.
	R PERSONNEL COMPENSATION	17.4	17.7	0.3	2	Same as for OC 11.5 in previous table.
	IAL PERSONNEL SERVICES PAYMT.	1245.5	1406.8	161.3	13	Same as for OC 11.1 in previous table.
	ONNEL BENEFITS	147.8	168.4	20.6	14	Increase in the number of education allowances.
21.0 TRAV	EL AND TRANSPORTATION OF PERSONS	135.8	145.2	9.4	7	Increase in the number of Home Leave travel.
22.0 TRAN	SPORTATION OF THINGS	19.9	29.0	9.1	46	Same as for OC 21.0 above.
23.2 RENT	AL PAYMENTS	541.8	545.8	4.0	1	Straight lined (See narrative for potential need for additional resources)
23.3 соми	MUNICATIONS, UTILITIES & MISC.	231.3	255.4	24.1	11	Projected utilities rate increase.
24.0 PRINT	TING & REPRODUCTION	18.3	19.5	1.2	7	Inflation (net of projected decrease in consumption)
25.2 OTHE	R SERVICES	159.9	168.3	8.4	6	Inflation (net of projected decrease in consumption)
25.3 ICASS	3	131.4	137.9	6.5	5	Projected increase in cost.
25.4 OPER	ATION/MAINTENANCE FACILITIES	47.1	53.9	6.8	15	Inflation and minimum wage increases.
25.6 MEDIC	CAL CARE	1.1	1.3	0.2	19	Minimum projected cost increase.
25.7 OPER	/MAINT OF EQUIPMENT	82.0	88.1	6.1	8	Minimum projected cost increase.
26.0 SUPP	LIES & MATERIALS	153.0	153.0	-0-	-0-	Straight lined.
31.0 EQUIF	PMENT	100.0	100.0	-0-	-0-	Straight lined from FY-01 to cover minimum replacement needs (See narrative for potential additional needs).
Т	OTAL	3,257,7	3,543.0	285 3	8.7	

The Mission has been unable to complete the required ICASS tables for this exercise because we have been unable to find any way to pull the required information from the existing ICASS budgeting/accounting software. However, we believe that the basic information being requested in these tables is the amount of money we estimate we will recover from subscribing agencies. This information we have. In FY 2000, we will bill \$109,278 to participating agencies (not including charges to USAID OE or Development Assistance Accounts). In 2001, we would anticipate billing approximately \$125,000, while in 2002, we would expect to bill approximately \$36,000 only (with the expectation that the participating agencies would terminate their involvement at the end of the first quarter, when supplementary funding is expected to expire).

Workforce - The workforce tables which are part of this resource request are fairly straightforward. Levels will remain steady for the 2000-2001 period following the increases necessitated by the reconstruction program (a move from approximately 126 positions pre-Mitch to current levels of 154 positions). We estimate that levels will drop back to about 132 positions when the current supplemental and expanded program resources taper off or end in early 2002. There are currently 22 positions (funded with reconstruction program resources) which will phase out during 2002—however some of these may be retained if program levels remain high. OE staffing levels, which have edged upward slightly during the reconstruction period, will drop back to pre-Mitch levels in 2002 with the exception of one USDH Contracting Officer position, which has been funded by supplemental OE funds under the reconstruction program.

Accessing Global Bureau Services Through Field Support and Buy-Ins

Support and Buy-Ins: tivity Title & Number CDC) Ilow On ISH	Priority * High High Med	1-2 yrs. (FY) 1-2 yrs. (FY) 1-2 yrs. (FY)	Obligate Operating Unit		Obligate Operating Unit	ed by: Global Bureau 0
CDC) llow On	High High Med	1-2 yrs. (FY) 1-2 yrs. (FY)	Operating	Global Bureau 125	Operating	Global Bureau 0
llow On	High Med	1-2 yrs. (FY)		Bureau 125		Bureau 0
llow On	High Med	1-2 yrs. (FY)				
	Med			275		400
ISH		1-2 vrs. (FY)		213		100
				150		50
	High	1-2 yrs. (FY)		1,285		900
	High	1-2 yrs. (FY)		400		200
	Med	1-2 yrs. (FY)		125		100
Project	Med	1-2 yrs. (FY)		100		0
	Med	1-2 yrs. (FY)		300		100
ERS	High	1-2 yrs. (FY)		300		200
(FPLM/JSI Follow-on)	High	1-2 yrs. (FY)		200		100
ACT	High	1-2 yrs. (FY)		200		100
ARK	Med	1-2 yrs. (FY)		200		100
	Low	1-2 yrs. (FY)		50		0
Il & Neonatal Health	High	1-2 yrs. (FY)		300		150
	Med	1-2 yrs. (FY)		50		40
II	High	1-2 yrs. (FY)		230		250
ACS	High	1-2 yrs. (FY)		200		200
ollow On	High	1-2 yrs. (FY)		800		350
(QA)	High	1-2 yrs. (FY)		200		150
	Med	1-2 yrs. (FY)		90		40
(/	ERS FPLM/JSI Follow-on) ACT RK I & Neonatal Health II ACS billow On	Med	Med 1-2 yrs. (FY)	Med 1-2 yrs. (FY)	Med 1-2 yrs. (FY) 300	Med 1-2 yrs. (FY) 300

FY 2000 Budget Request by Program/Country

Fiscal Year: 2000 Program/Country: USAID/Honduras

Approp: Scenario:

S.O. # , Title							E*	Y 2000 Reque	et					ı	Est. S.O.
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Health Promotion	Environ	D/G	Est. S.O. Expendi- tures	Pipeline End of FY2000
					(*)			(*)	(*)	(*)	(**)				
20.4															
SO 1:	Bilateral	activation meetii 3,900	ng the needs of 974	of the poor 2,926	1		1	0		I	1	ı		5,126	4,29
	Field Spt	3,900	974	2,920				U						5,120	4,29
	i ioid Opt	3,900	974	2,926	0	0	0	0	0	0	0	0	0	5,126	4,29
				ĺ						•		•			
SO 2:		nagement of wa	tersheds, fore	sts, and protec	ted areas				•	1	, ,				
	Bilateral	1,200										1,200		2,067	1,60
	Field Spt	1,200	0	0	0	0	0	0	0	0	0	1,200	0	2,067	1,60
		1,200	U	U	0	0	U	U	U	U	U	1,200	U	2,007	1,60
SO 3:	Sustainable in	nprovements in	family health												
	Bilateral	6,101	,				2,521	2,000	480	1,100				18,174	4,71
	Field Spt	2,332					1,012	1,000	20	300				2,332	3,33
		8,433	0	0	0	0	3,533	3,000	500	1,400	0	0	0	20,506	8,04
	0: :: :														
SO 4:		rule of law, acco	ountability, and	d respect for hi	ıman rights					I	1	ı	1,500	4,836	969
	Bilateral Field Spt	1,500											1,500	4,836	90
	ricia opt	1,500	0	0	0	0	0	0	0	0	0	0	1,500	4,836	969
		.,	-	•	-	•	-	•	•	·	-	¥ II.	1,000	1,000	
SO 5:		ive and effective	e municipal go	vernments											
	Bilateral	2,500											2,500	7,500	8,110
	Field Spt	0	0	0	0	0	0	0	0	0	0	0	0.500	7.500	0.44
		2,500	0	0	0	0	0	0	0	0	0	0	2,500	7,500	8,116
SO 6:	Improved opp	ortunity to obtain	n basic educat	tion and skills											
	Bilateral	2,500			2,500									4,475	3,32
	Field Spt	0			·										
		2,500	0	0	2,500	0	0	0	0	0	0	0	0	4,475	3,32
	0														
SO 7:	Bilateral	ne reconstruction 39,050	on needs met			39,050					l I	I		86,431	205,792
	Field Spt	39,050				39,050								00,431	205,792
	ricia opt	39.050	0	0	0	39.050	0	0	0	0	0	0	0	86.431	205,792
		,	-			,	-		-		-	- 11	-	,	
SO 8:															
	Bilateral	0													
	Field Spt	0	_	0		^	_				_			0	(
		U	0	0	0	0	0	0	0	0	0	0	0	0	
otal Bilateral		56,751	974	2,926	2,500	39,050	2,521	2,000	480	1,100	0	1,200	4,000	128,609	228,814
otal Field Suppo	ort	2,332	0	0	2,300	0	1,012	1,000	20	300	0	0	0	2,332	3,336
OTAL PROGRA		59,083	974	2,926	2,500	39,050	3,533	3,000	500	1,400	0	1,200	4,000	130,941	232,150

FY 2000 Request Agency Goal Totals	
Econ Growth	3,900
Democracy	4,000
HCD	41,550
PHN	8,433
Environment	1,200
Program ICASS	0
GCC (from all Goals)	0

FY 2	FY 2000 Account Distribution (DA only) Dev. Assist Program 51,683									
	Dev. Assist Program Dev. Assist ICASS									
	Dev. Assist Total:	51,683								
	CSD Program	7,400								
	CSD ICASS									
	CSD Total:	7,400								
	CSD Program CSD ICASS									

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002) Prepare one set of tables for each appropriation Account Tables for DA and CSD may be combined on one table.

For the <u>DA/CSD Table</u>, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2001 Budget Request by Program/Country (CP Level)

Fiscal Year: 2001 Program/Country: USAID/Honduras

Approp: Scenario:

S.O. # , Title															
0.0. # , 1100	,						F`	Y 2001 Reque	st						Est. S.O.
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS	Health Promotion	Environ	D/G	Est. S.O. Expendi- tures	Pipeline End of FY2001
SO 1:		activation meet					П				1				
	Bilateral Field Spt	3,290 0	945	2,345										4,429	3,151 0
	Field Spt	3.290	945	2.345	0	0	0	0	0	0	0	0	0	4.429	3.151
		0,200	0.10	2,010	J	V	0	0	0	<u> </u>	Ü	U	Ŭ	1, 120	0,101
SO 2:		nagement of wa	atersheds, fore	sts, and prote	cted areas										
	Bilateral	4,200										4,200		3,100	2,709
	Field Spt	0 4.200	0	0	0	0	0	0	0	0	0	4.200	0	3,100	2,709
		4,200	U	0	0	U	U	0	0	0	U	4,200	0	3,100	2,709
SO 3:	Sustainable in	nprovements in	family health												
	Bilateral	8,996					5,041	610	500	1,635	1,210			9,241	4,468
	Field Spt	4,880	•			•	2,895	1,030	90	865	1 010		0	4,880	3,336
		13,876	0	0	0	0	7,936	1,640	590	2,500	1,210	0	0	14,121	7,804
SO 4:	Strengthened	rule of law, acc	countability an	nd respect for h	numan rights										
	Bilateral	1,800	ournaomity, ar	<u></u>	laman ngmo								1,800	2,000	769
	Field Spt	0													
		1,800	0	0	0	0	0	0	0	0	0	0	1,800	2,000	769
SO 5:	More respons	ive and effective	e municinal d	overnments									I		
00 0.	Bilateral	2,100	re mameipai gi	overninents									2,100	6,500	3,716
	Field Spt	0											,	·	<u> </u>
		2,100	0	0	0	0	0	0	0	0	0	0	2,100	6,500	3,716
SO 6:	Improved one	ortunity to obta	in basic aduce	tion and skills									ı		
30 6.	Bilateral	2,500	in basic educa	alion and skills	2,500									4,980	845
	Field Spt	0			_,,,,,									.,	
		2,500	0	0	2,500	0	0	0	0	0	0	0	0	4,980	845
00.7	0-11												ı		
SO 7:	Bilateral	ane reconstruct 0	ion needs met				1							179.943	25,849
	Field Spt	0												179,945	25,045
		0	0	0	0	0	0	0	0	0	0	0	0	179,943	25,849
SO 8:	Dilotoral				1						1				
	Bilateral Field Spt	0													
	. lold opt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		22,886	945	2,345	2,500	0	5,041	610	500	1,635	1,210	4,200	3,900	210,193	41,507
Total Field Sup		4,880 27,766	945	2,345	2,500	0	2,895 7,936	1,030 1,640	90 590	865 2,500	1,210	0 4,200	0 3,900	4,880 215,073	3,336 44,843
TOTAL PROG	KAW	27,766	945	2,345	2,500	0	7,936	1,640	590	2,500	1,210	4,200	3,900	215,073	44,843

FY 2001 Request Agency Goal Totals								
Econ Growth	3,290							
Democracy	3,900							
HCD	2,500							
PHN	13,876							
Environment	4,200							
Program ICASS	0							
GCC (from all Goals)	2,000							

FY 2001 Account Distribution (DA only)									
Dev. Assist Program	19,326								
Dev. Assist ICASS									
Dev. Assist Total:	19,326								
CSD Program	8,440								
CSD ICASS									
CSD Total:	8,440								

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002) Prepare one set of tables for each appropriation Account Tables for DA and CSD may be combined on one table.

For the <u>DA/CSD Table</u>, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2001 Budget Request by Program/Country (Request Level)

Fiscal Year: 2001 Program/Country: USAID/Honduras

Approp: Scenario:

S.O. # , Title							F\	7 2001 Reque	st						Est. S.O.
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Health Promotion	Environ	D/G	Est. S.O. Expendi- tures	Pipeline End of FY2001
					(*)			(*)	(*)	(*)	(**)				<u> </u>
SO 1:		activation meeti													
	Bilateral	3,290	945	2,345										4,429	3,151
	Field Spt	0													C
		3,290	945	2,345	0	0	0	0	0	0	0	0	0	4,429	3,151
20.0	Inches of the second		t										ı		
SO 2:	Bilateral	nagement of wa 4,200	tersneas, fore	ests, and prote	cted areas		1			I	I I	4,200		3,100	2,709
	Field Spt	4,200										4,200		3,100	2,70
	riela Spi	4,200	0	0	0	0	0	0	0	0	0	4,200	0	3,100	2,709
		4,200	0	0	0	0_	0	0_	0	U	U	4,200	0	3,100	2,703
SO 3:	Sustainable in	nprovements in	family health										I		
J J J.	Bilateral	8,996	.a.iny moditin		I		5,041	610	500	1,635	1,210	ı		9,241	4,468
	Field Spt	4,880					2,895	1,030	90	865	1,210			4,880	3,336
		13,876	0	0	0	0	7,936	1,640	590	2,500	1,210	0	0	14,121	7,804
				-		-	,	,		,	,			,	,
SO 4:	Strengthened	rule of law, acc	ountability, an	d respect for h	numan rights										
	Bilateral	2,800			Ŭ								2,800	2,000	1,769
	Field Spt	0													
		2,800	0	0	0	0	0	0	0	0	0	0	2,800	2,000	1,769
SO 5:		ive and effectiv	e municipal go	overnments											
	Bilateral	2,100											2,100	6,500	3,716
	Field Spt	0													
		2,100	0	0	0	0	0	0	0	0	0	0	2,100	6,500	3,716
20.0				e 1 120									ı		
SO 6:	Bilateral	ortunity to obtai	n basic educa	ition and skills	2,500		1			ı				4.000	845
	Field Spt	2,500			2,500									4,980	843
	riela Spi	2,500	0	0	2,500	0	0	0	0	0	0	0	0	4,980	845
		2,500	0	U	2,500	0	U	0	U	U	U	U	0	4,900	040
SO 7:	Critical burries	ne reconstructi	on needs met	•											
JO 1.	Bilateral	0	on needs met		1		l l					I		179,943	25,849
	Field Spt	0												170,040	20,043
		0	0	0	0	0	0	0	0	0	0	0	0	179,943	25,849
														,	
SO 8:															
	Bilateral	0													
	Field Spt	0					<u> </u>								
		0	0	0	0	0	0	0	0	0	0	0	0	0	C
Total Bilateral		23,886	945	2,345	2,500	0	5,041	610	500	1,635	1,210	4,200	4,900	210,193	42,507
Total Field Supp		4,880	0	0	0	0	2,895	1,030	90	865	0	0	0	4,880	3,336
TOTAL PROGE	RAM	28,766	945	2,345	2,500	0	7,936	1,640	590	2,500	1,210	4,200	4,900	215,073	45,843

FY 2001 Request Agency Goal Totals	
Econ Growth	3,290
Democracy	4,900
HCD	2,500
PHN	13,876
Environment	4,200
Program ICASS	0
GCC (from all Goals)	2,000

FY 2001 Account Distribution (DA only)								
Dev. Assist Program	20,326							
Dev. Assist ICASS								
Dev. Assist Total:	20,326							
CSD Program	8,440							
CSD ICASS								
CSD Total:	8,440							

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002) Prepare one set of tables for each appropriation Account Tables for DA and CSD may be combined on one table.

For the <u>DA/CSD Table</u>, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2002 Budget Request by Program/Country (Control Level)

Fiscal Year: 2002

USAID/Honduras

Approp: Scenario:

-							F.	2002 Reque	st						Est. S.O.
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS	Health Promotion (**)	Environ	D/G	Est. S.O. Expendi- tures	Pipeline End of FY2002
		I I	Į.	l l	()		<u>ll</u>	()		()		J.	Į.		
SO 1:	Economic Rea	activation meeti	na the needs	of the poor											
	Bilateral	4,000	945	3,055				0						4,200	2,951
	Field Spt	0		,										,	0
		4,000	945	3,055	0	0	0	0	0	0	0	0	0	4,200	2,951
SO 2:	Improved mar	agement of wa	tersheds, fore	ests, and protec	cted areas										
	Bilateral	3,000										3,000		3,382	2,327
	Field Spt	0													
		3,000	0	0	0	0	0	0	0	0	0	3,000	0	3,382	2,327
SO 3:		nprovements in	family health				m		1						
	Bilateral	7,870					3,600	2,770	400	1,100	0			8,300	4,038
	Field Spt	3,130					1,400	775	40	650	265			3,130	3,336
		11,000	0	0	0	0	5,000	3,545	440	1,750	265	0	0	11,430	7,374
SO 4:		rule of law, acc	ountability, an	d respect for h	iuman rights		0		ı	1					
	Bilateral	2,000											2,000	2,000	769
	Field Spt	0													
		2,000	0	0	0	0	0	0	0	0	0	0	2,000	2,000	769
SO 5:	Mara raanana	ive and effective											1		
50 5:	Bilateral	3,000	e municipai go	overnments			1		1	I	1	I	3,000	4,500	2,216
	Field Spt	3,000											3,000	4,500	2,210
	rieid Spt	3,000	0	0	0	0	0	0	0	0	0	0	3,000	4,500	2,216
		3,000	0	0	U	0_	0	0	U	0	U	U I	3,000	4,500	2,210
SO 6:	Improved onn	ortunity to obtai	n hasic educa	tion and skills											
30 0.	Bilateral	3,500	II badio cadea	tion and online	3,500						1			3,000	1,345
	Field Spt	0,000			0,000									0,000	.,0.0
	riola opt	3,500	0	0	3.500	0	0	0	0	0	0	0	0	3,000	1.345
		0,000	ŭ	•	0,000		· ·		<u> </u>		•	<u> </u>	•	0,000	1,010
SO 7:	Critical hurrica	ne reconstructi	on needs met												
	Bilateral	0												25,849	0
	Field Spt	0												,	
		0	0	0	0	0	0	0	0	0	0	0	0	25,849	0
SO 8:													_		
	Bilateral	0				<u> </u>									
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
		_									.				
Total Bilateral		23,370	945	3,055	3,500	0	3,600	2,770	400	1,100	0	3,000	5,000	51,231	13,646
Total Field Supp		3,130	0	0	0	0	1,400	775	40	650	265	0	0	3,130	3,336
TOTAL PROGR	RAM	26,500	945	3,055	3,500	0	5,000	3,545	440	1,750	265	3,000	5,000	54,361	16,982

FY 2002 Request Agency Goal Totals	
Econ Growth	4,000
Democracy	5,000
HCD	3,500
PHN	11,000
Environment	3,000
Program ICASS	0
GCC (from all Goals)	1,000

FY 2002 Account Distribution (DA only)								
Dev. Assist Program	17,000							
Dev. Assist ICASS								
Dev. Assist Total:	17,000							
CSD Program	9,500							
CSD ICASS								
CSD Total:	9,500							

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002) Prepare one set of tables for each appropriation Account Tables for DA and CSD may be combined on one table.

For the <u>DA/CSD Table</u>, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2002 Budget Request by Program/Country (Request Level)

Fiscal Year: 2002

USAID/Honduras

Approp: Scenario:

on:

							F	Y 2002 Reque						i	Est. S.O.
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Health Promotion	Environ	D/G	Est. S.O. Expendi- tures	Pipeline End of FY2002
		l l		l	(*)			(*)	(*)	(*)	(**)	II.			<u> </u>
SO 1:	Economic Rea	activation meeti	ng the needs	of the poor											
	Bilateral	8,000	3,645	4,355				0						6,200	4,95
	Field Spt	0													(
		8,000	3,645	4,355	0	0	0	0	0	0	0	0	0	6,200	4,95
SO 2:	Improved mar	nagement of wa	tarehade fore	ete and protec	cted areas										
30 2.	Bilateral	6,000	itersrieus, iore	sis, and protet	lieu areas							6,000		4,882	3,827
	Field Spt	0,000										0,000		4,002	3,021
	r lold Opt	6,000	0	0	0	0	0	0	0	0	0	6,000	0	4,882	3,827
	'														
SO 3:		nprovements in	family health		г г		4.000	4 770	100	4 400		П		0.000	5.50
	Bilateral	10,870					4,600	4,770	400	1,100	0			9,800	5,538
	Field Spt	3,130 14,000	0	0	0	0	1,400	775 5,545	40 440	650	265 265	0	0	3,130 12,930	3,33
		14,000	U	U	U	U	6,000	5,545	440	1,750	200	0	U	12,930	8,874
SO 4:	Strengthened	rule of law, acc	ountability, an	id respect for h	numan rights										
	Bilateral	4,000	, ,										4,000	3,000	1,769
	Field Spt	0											ŕ	,	Í ,
		4,000	0	0	0	0	0	0	0	0	0	0	4,000	3,000	1,769
00.5															
SO 5:	Bilateral	ive and effective 10,000	e municipai go	overnments				4,000	1	1		3,000	3,000	8,000	5,716
	Field Spt	0,000						4,000				3,000	3,000	8,000	5,710
	ricia opt	10,000	0	0	0	0	0	4,000	0	0	0	3,000	3,000	8,000	5,716
		-,						,				-/	-,	-,	
SO 6:		ortunity to obtai	n basic educa	tion and skills											
	Bilateral	3,500			3,500									3,000	1,34
	Field Spt	0													
		3,500	0	0	3,500	0	0	0	0	0	0	0	0	3,000	1,345
SO 7:	Critical hurrica	ane reconstructi	ion needs met												
00	Bilateral	0												25,849	
	Field Spt	0												-,-	Ĭ
		0	0	0	0	0	0	0	0	0	0	0	0	25,849	(
SO 8:	Bilateral	0	1	I			1		1	I		П			1
	Field Spt	0													Ï
	r leid Opt	0	0	0	0	0	0	0	0	0	0	0	0	0	(
		- 0		0	0		U				· ·				
Total Bilateral		42,370	3,645	4,355	3,500	0	4,600	8,770	400	1,100	0	9,000	7,000	60,731	23,146
Total Field Supp	oort	3,130	0	0	0	0	1,400	775	40	650	265	0	0	3,130	3,336
TOTAL PROGE	AM	45,500	3,645	4,355	3,500	0	6,000	9,545	440	1,750	265	9,000	7,000	63,861	26,482

FY 2002 Request Agency Goal Totals	
Econ Growth	8,000
Democracy	7,000
HCD	3,500
PHN	18,000
Environment	9,000
Program ICASS	0
GCC (from all Goals)	1,000

FY 2002 Account Distribution (DA only)								
Dev. Assist Program	30,000							
Dev. Assist ICASS								
Dev. Assist Total:	30,000							
CSD Program	15,500							
CSD ICASS								
CSD Total:	15,500							

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)
Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.

For the <u>DA/CSD Table</u>, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

Mission: HONDURAS

Functional	Number of	USDH Empl	oyees in Bac	kstop in:
Backstop (BS)	FY 2000	FY 2001	FY 2002	FY 2003
Caria Managara				
Senior Management SMG - 01	2	2	2	2
SMG - 01	2			
Program Management				
Program Mgt - 02	1	1	1	1
Project Dvpm Officer - 94	2	2	2	2
Support Management				
EXO - 03	1	1	1	1
Controller - 04	1	1	1	1
Legal - 85				
Commodity Mgt 92				
Contract Mgt 93	1	1	1	1
Secretary - 05 & 07				
Sector Management				
Agriculture - 10 & 14	2	2	2	2
Economics - 11				
Democracy - 12				
Food for Peace - 15				
Private Enterprise - 21				
Engineering - 25				
Environment - 40 & 75				
Health/Pop 50	1	1	1	1
Education - 60	1	1	1	1
General Dvpm 12*	2	2	2	2
RUDO, UE-funded - 40				
Total	14	14	14	14

*GDO - 12: for the rare case where an officer manages activities in several technical areas, none of which predominate, e.g., the officer manages Democracy, Health, and Environment activities that are about equal. An officer who manages primarily Health activities with some Democracy and Environment activities would be a Health Officer, BS 50.

remaining **IDIs**: list under the Functional Backstop for the work they do.

USDH Staffing Requirements by Backstop, FY 2000 - FY 2003

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw as well as include it with your R4 submission.

Org. Ti	tle: HONDURAS	Overseas Mission Budgets										
Org. No	o: 522	FY 2	000 Estim	ate	FY	2001 Targe	et	FY	2002 Targ	et		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
11.1	Personnel compensation, full-time permanent	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	n this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	130.6	71.1	201.7	225.4		225.4	252.7		252.7		
	Subtotal OC 11.1	130.6	71.1	201.7	225.4		225.4	252.7		252.		
11.3	Personnel comp other than full-time permanent	Do not e	enter data o	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH											
	Subtotal OC 11.3											
11.5	Other personnel compensation	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
11.5	USDH											
11.5	FNDH	10.1	7.0	17.1	17.4		17.4	17.7		17.		
	Subtotal OC 11.5	10.1	7.0	17.1	17.4		17.4	17.7		17.		
11.8	Special personal services payments	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
11.8	USPSC Salaries	86.9		86.9	91.8		91.8	97.1		97.		
11.8	FN PSC Salaries		889.2	889.2		1153.7	1153.7	140.7	1169.0	1309.		
11.8	IPA/Details-In/PASAs/RSSAs Salaries											
	Subtotal OC 11.8	86.9	889.2	976.1	91.8	1153.7	1245.5	237.8	1169.0	1406.		
12.1	Personnel benefits	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
12.1	USDH benefits	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not enter data on this line				
12.1	Educational Allowances	21.5		21.5	15.9		15.9	23.9		23.		
12.1	Cost of Living Allowances											
12.1	Home Service Transfer Allowances											
12.1	Quarters Allowances											
12.1	Other Misc. USDH Benefits	18.6		18.6	12.7		12.7	12.7		12.		
12.1	FNDH Benefits	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	n this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH											
12.1	Other FNDH Benefits	80.6	12.6	93.2	101.0		101.0	112.4		112.		
12.1	US PSC Benefits											
12.1	FN PSC Benefits	Do not e	enter data c	n this line	Do not	enter data o	n this line	Do not	enter data o	n this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PS	SC										
12.1	Other FN PSC Benefits		17.1	17.1		18.2	18.2		19.4	19.		
12.1	IPA/Detail-In/PASA/RSSA Benefits											
	Subtotal OC 12.1	120.7	29.7	150.4	129.6	18.2	147.8	149.0	19.4	168.4		

Org. Title:	HONDURAS				Overseas	Mission B	udgets			
Org. No:	522	FY 20	000 Estima	te	FY 2	001 Targ	et	FY	2002 Targ	et
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not e	nter data oı	this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
13.0	FNDH	Do not e	nter data oı	this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
13.0	Severance Payments for FNDH									
13.0	Other Benefits for Former Personnel - FNDH									
13.0	FN PSCs	Do not e	nter data oı	this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
13.0	Severance Payments for FN PSCs									
13.0	Other Benefits for Former Personnel - FN PSCs									
Sub	btotal OC 13.0									
21.0	Travel and transportation of persons	Do not e	nter data oı	n this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
21.0	Training Travel	16.9		16.9	18.0		18.0	18.1		18.1
21.0	Mandatory/Statutory Travel	Do not e	nter data oı	this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
21.0	Post Assignment Travel - to field	4.4		4.4	2.3		2.3	2.4		2.4
21.0	Assignment to Washington Travel									
21.0	Home Leave Travel	26.0		26.0	11.3		11.3	31.3		31.3
21.0	R & R Travel	4.8		4.8	18.0		18.0	7.2		7.2
21.0	Education Travel	5.0		5.0	5.2		5.2	6.6		6.6
21.0	Evacuation Travel	4.0		4.0	4.0		4.0	4.0		4.0
21.0	Retirement Travel									
21.0	Pre-Employment Invitational Travel									
21.0	Other Mandatory/Statutory Travel									
21.0	Operational Travel	Do not e	nter data oı	this line	Do not e	nter data o	n this line	Do not	enter data o	n this line
21.0	Site Visits - Headquarters Personnel	8.0		8.0	8.4		8.4	8.8		8.8
21.0	Site Visits - Mission Personnel		33.0	33.0	11.8	21.2	33.0	25.0	5.0	30.0
21.0	Conferences/Seminars/Meetings/Retreats	17.4		17.4	17.8		17.8	18.4		18.4
21.0	Assessment Travel									
21.0	Impact Evaluation Travel									
21.0	Disaster Travel (to respond to specific disasters)									
21.0	Recruitment Travel									
21.0	Other Operational Travel	17.4		17.4	17.8		17.8	18.4		18.4
Sub	btotal OC 21.0	103.9	33.0	136.9	114.6	21.2	135.8	140.2	5.0	145.2
22.0	Transportation of things		nter data oı	n this line		nter data o			enter data o	n this line
22.0	Post assignment freight	24.0		24.0	12.0		12.0	12.0		12.0
22.0	Home Leave Freight	10.5		10.5	4.1		4.1	13.2		13.2
22.0	Retirement Freight									
22.0	Transportation/Freight for Office Furniture/Equip.	2.1		2.1	1.8		1.8	1.8		1.8

Org. Ti			Overseas Mission Budgets							
Org. N	522	FY 2	000 Estima	ate	FY	2001 Targe	et	FY 2002 Target		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.	4.5		4.5	2.0		2.0	2.0		2.0
	Subtotal OC 22.0	41.1		41.1	19.9		19.9	29.0		29.0
23.2	Rental payments to others	Do not e	enter data o	n this line	Do not	enter data o	n this line	Do not	enter data o	n this line
23.2	Rental Payments to Others - Office Space	287.8		287.8	306.7		306.7	306.7		306.7
23.2	Rental Payments to Others - Warehouse Space	36.0		36.0	36.0		36.0	36.0		36.0
23.2	Rental Payments to Others - Residences	189.6		189.6	199.1		199.1	203.1		203.1
	Subtotal OC 23.2	513.4		513.4	541.8		541.8	545.8		545.8
23.3	Communications, utilities, and miscellaneous charges	Do not e	enter data o	n this line	Do not	enter data o	n this line	Do not	enter data o	n this line
23.3	Office Utilities	104.6	3.3	107.9	134.6		134.6	153.4		153.4
23.3	Residential Utilities	22.4		22.4	24.9		24.9	27.7		27.7
23.3	Telephone Costs	60.7	6.6	67.3	68.7		68.7	70.8		70.8
23.3	ADP Software Leases									
23.3	ADP Hardware Lease									
23.3	Commercial Time Sharing									
23.3	Postal Fees (Other than APO Mail)		0.8	0.8		0.9	0.9		1.0	1.0
23.3	Other Mail Service Costs									
23.3	Courier Services		2.0	2.0		2.2	2.2		2.5	2.5
	Subtotal OC 23.3	187.7	12.7	200.4	228.2	3.1	231.3	251.9	3.5	255.4
24.0	Printing and Reproduction	3.6	13.5	17.1	18.3		18.3	19.5		19.5
	Subtotal OC 24.0	3.6	13.5	17.1	18.3		18.3	19.5		19.5
25.1	Advisory and assistance services	Do not e	enter data o	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line
25.1	Studies, Analyses, & Evaluations									
25.1	Management & Professional Support Services									
25.1	Engineering & Technical Services									
	Subtotal OC 25.1									
25.2	Other services	Do not e	enter data o	n this line	Do not	enter data o	n this line	Do not	enter data o	on this line
25.2	Office Security Guards	58.4		58.4	61.3		61.3	64.4		64.4
25.2	Residential Security Guard Services	37.6		37.6	39.5		39.5	41.5		41.5
25.2	Official Residential Expenses									
25.2	Representation Allowances	1.1		1.1	1.2		1.2	1.2		1.2
25.2	Non-Federal Audits	ļ								

Org. Tit	le: HONDURAS	Overseas Mission Budgets									
Org. No	: 522	FY 20	000 Estima	nte		2001 Targe			2002 Targe	et	
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	
25.2	Grievances/Investigations										
25.2	Insurance and Vehicle Registration Fees		1.6	1.6		1.8	1.8		2.0	2.0	
25.2	Vehicle Rental										
25.2	Manpower Contracts										
25.2	Records Declassification & Other Records Services										
25.2	Recruiting activities										
25.2	Penalty Interest Payments										
25.2	Other Miscellaneous Services	5.0	25.0	30.0	32.7		32.7	34.2		34.2	
25.2	Staff training contracts	15.0	6.8	21.8	23.4		23.4	25.0		25.0	
25.2	ADP related contracts										
	Subtotal OC 25.2	117.1	33.4	150.5	158.1	1.8	159.9	166.3	2.0	168.3	
25.3	Purchase of goods and services from Government accounts	Do not e	enter data o	n this line	Do not e	enter data o	n this line	Do not	enter data o	n this line	
25.3	ICASS	125.1		125.1	131.4		131.4	137.9		137.9	
25.3	All Other Services from Other Gov't. accounts										
	Subtotal OC 25.3	125.1		125.1	131.4		131.4	137.9		137.9	
25.4	Operation and maintenance of facilities	Do not e	enter data o	n this line	Do not e	enter data o	n this line	Do not	enter data o	n this line	
25.4	Office building Maintenance		38.4	38.4	44.1		44.1	50.5		50.5	
25.4	Residential Building Maintenance		2.7	2.7	3.0		3.0	3.4		3.4	
	Subtotal OC 25.4		41.1	41.1	47.1		47.1	53.9		53.9	
25.6	Medical Care		1.0			1.1			1.3		
	Subtotal OC 25.6		1.0	1.0		1.1	1.1		1.3	1.3	
25.7	Operation/maintenance of equipment & storage of goods	Do not e	enter data o	n this line	Do not e	enter data o	n this line	Do not	enter data o	n this line	
25.7	ADP and telephone operation and maintenance costs	21.0		21.0	22.0		22.0	22.7		22.7	
25.7	Storage Services										
25.7	Office Furniture/Equip. Repair and Maintenance		30.0	30.0	36.3		36.3	39.6		39.6	
25.7	Vehicle Repair and Maintenance		20.0	20.0	22.8		22.8	24.7		24.7	
25.7	Residential Furniture/Equip. Repair and Maintenance	5.0	0.9	5.9		0.9	0.9		1.1	1.1	
	Subtotal OC 25.7	26.0	50.9	76.9	81.1	0.9	82.0	87.0	1.1	88.1	
25.8	Subsistance & spt. of persons (by contract or Gov't.)										
	Subtotal OC 25.8										

Org. Title:	HONDURAS	Overseas Mission Budgets								
Org. No:	522	FY 2	000 Estim	ate	FY	2001 Targ	get	FY	2002 Targ	et
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	135.6	17.4	153.0	153.0		153.0	153.0		153.0
Su	btotal OC 26.0	135.6	17.4	153.0	153.0		153.0	153.0		153.0
31.0	Equipment	Do not	enter data o	n this line	Do not	enter data	on this line	Do not	enter data o	n this line
31.0	Purchase of Residential Furniture/Equip.									
31.0	Purchase of Office Furniture/Equip.									
31.0	Purchase of Vehicles									
31.0	Purchase of Printing/Graphics Equipment									
31.0	ADP Hardware purchases									
31.0	ADP Software purchases									
Su	btotal OC 31.0									
32.0	Lands and structures	Do not	enter data o	n this line	Do not	enter data	on this line	Do not	enter data o	n this line
32.0	Purchase of Land & Buildings (& bldg. construction)									
32.0	Purchase of fixed equipment for buildings									
32.0	Building Renovations/Alterations - Office									
32.0	Building Renovations/Alterations - Residential									
Su	btotal OC 32.0									
42.0	Claims and indemnities									
Su	btotal OC 42.0									
	TOTAL BUDGET	1601.8	1200.0	2801.8	1957.7	1200.0	3157.7	2241.7	1200.0	3441.7

398.3

1.0

14.6

1.0

<u>15.1</u>

Dollars Used for Local Currency Purchases

Exchange Rate Used in Computations

<u>752.8</u>

1.0

15.6

^{**} If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

Organization: HONDURAS

	Foreign National Voluntary Separation Account												
		FY 2000		FY 2002									
Action	OE	Program	Total	OE	Program	Total	OE	Program	Total				
Deposits			0.0			0.0			0.0				
Withdrawals			0.0			0.0			0.0				

Local Currency Trust Funds - Regular										
	FY 2000	FY 2001	FY 2002							
Balance Start of Year	6,087.6	5,941.0	5,816.1							
Obligations	1,200.0	1,200.0	1,200.0							
Deposits	1,256.9	1,267.7	1,374.3							
Balance End of Year	6,144.5	6,008.7	5,990.4							

Exchange Rate <u>14.6</u> <u>15.1</u> <u>15.6</u>

Local Currency Trust Funds - Real Property										
FY 2000 FY 2001 FY 2002										
Balance Start of Year Obligations										
Deposits Balance End of Year	0.0	0.0	0.0							

Exchange Rate _____ ____

Org. Tit	de: HONDURAS		Overseas Mission Budgets									
Org. No	: 522	FY 20	000 Estim	ate	FY	2001 Targe	et	FY	2002 Targ	get		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
11.1	Personnel compensation, full-time permanent	Do not e	nter data o	n this line	Do not	enter data o	n this line	Do not	enter data	on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	69.8		69.8	78.5		78.5	88.5		88.5		
	Subtotal OC 11.1	69.8		69.8	78.5		78.5	88.5		88.5		
11.3	Personnel comp other than full-time permanent	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data (on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH											
	Subtotal OC 11.3											
11.5	Other personnel compensation	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data	on this line		
11.5	USDH											
11.5	FNDH	8.2		8.2	8.3		8.3	8.5		8.5		
	Subtotal OC 11.5	8.2		8.2	8.3		8.3	8.5		8.5		
11.8	Special personal services payments	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data	on this line		
11.8	USPSC Salaries	67.3		67.3	91.8		91.8	75.5		75.5		
11.8	FN PSC Salaries		252.3	252.3		295.1	295.1		338.0	338.0		
11.8	IPA/Details-In/PASAs/RSSAs Salaries											
	Subtotal OC 11.8	67.3	252.3	319.6	91.8	295.1	386.9	75.5	338.0	413.5		
12.1	Personnel benefits	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
12.1	USDH benefits	Do not e	nter data o	n this line	Do not	enter data o	n this line	Do not	enter data	on this line		
12.1	Educational Allowances											
12.1	Cost of Living Allowances											
12.1	Home Service Transfer Allowances											
12.1	Quarters Allowances											
12.1	Other Misc. USDH Benefits											
12.1	FNDH Benefits	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH											
12.1	Other FNDH Benefits	24.8		24.8	27.8		27.8	31.1		31.1		
12.1	US PSC Benefits											
12.1	FN PSC Benefits	Do not e	nter data o	on this line	Do not	enter data o	n this line	Do not	enter data o	on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PS	SC										
12.1	Other FN PSC Benefits		3.1	3.1		3.3	3.3		3.5	3.5		
12.1	IPA/Detail-In/PASA/RSSA Benefits											
	Subtotal OC 12.1	24.8	3.1	27.9	27.8	3.3	31.1	31.1	3.5	34.6		

Org. Title:	e: HONDURAS Overseas Mission Budgets									
Org. No:	522	FY 20	000 Estima	nte	FY 20	001 Targe	t	FY	2002 Targ	get
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not en	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
13.0	FNDH	Do not en	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
13.0	Severance Payments for FNDH									
13.0	Other Benefits for Former Personnel - FNDH									
13.0	FN PSCs	Do not en	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
13.0	Severance Payments for FN PSCs									
13.0	Other Benefits for Former Personnel - FN PSCs									
Sul	btotal OC 13.0									
21.0	Travel and transportation of persons	Do not e	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
21.0	Training Travel	4.2		4.2	4.4		4.4	4.6		4.6
21.0	Mandatory/Statutory Travel	Do not en	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
21.0	Post Assignment Travel - to field									
21.0	Assignment to Washington Travel									
21.0	Home Leave Travel				2.8		2.8			
21.0	R & R Travel	1.2		1.2				1.3		1.3
21.0	Education Travel									
21.0	Evacuation Travel				2.0		2.0			
21.0	Retirement Travel									
21.0	Pre-Employment Invitational Travel									
21.0	Other Mandatory/Statutory Travel									
21.0	Operational Travel	Do not en	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
21.0	Site Visits - Headquarters Personnel	2.1		2.1	2.2		2.2	2.3		2.3
21.0	Site Visits - Mission Personnel		4.5	4.5		4.6	4.6	4.2		4.2
21.0	Conferences/Seminars/Meetings/Retreats	4.2		4.2	4.4		4.4	4.6		4.6
21.0	Assessment Travel									
21.0	Impact Evaluation Travel									
21.0	Disaster Travel (to respond to specific disasters)									
21.0	Recruitment Travel									
21.0	Other Operational Travel	4.2		4.2	4.4		4.4	4.6		4.6
Sul	btotal OC 21.0	15.9	4.5	20.4	20.2	4.6	24.8	21.6		21.6
22.0	Transportation of things	Do not e	nter data o	n this line	Do not en	ter data on	this line	Do not	enter data o	on this line
22.0	Post assignment freight									
22.0	Home Leave Freight				1.0		1.0			
22.0	Retirement Freight						_			_
22.0	Transportation/Freight for Office Furniture/Equip.	2.5		2.5	0.5		0.5	0.5		0.5

Org. Tit	tle: HONDURAS	Overseas Mission Budgets									
Org. No		FY 2	000 Estima	ite		2001 Targe		FY 2002 Target			
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	
22.0	Transportation/Freight for Res. Furniture/Equip.										
	Subtotal OC 22.0	2.5		2.5	1.5		1.5	0.5		0.5	
23.2	Rental payments to others	Do not e	enter data oi	n this line	Do not e	enter data on	this line	Do not e	enter data o	n this line	
23.2	Rental Payments to Others - Office Space	40.3		40.3	42.9		42.9	42.9		42.9	
23.2	Rental Payments to Others - Warehouse Space	2.5		2.5	2.5		2.5	2.5		2.5	
23.2	Rental Payments to Others - Residences	18.0		18.0	18.0		18.0	18.0		18.0	
	Subtotal OC 23.2	60.8		60.8	63.4		63.4	63.4		63.4	
23.3	Communications, utilities, and miscellaneous charges	Do not e	enter data o	n this line	Do not e	enter data on	this line	Do not e	enter data oi	n this line	
23.3	Office Utilities	15.1		15.1	18.8		18.8	21.5		21.5	
23.3	Residential Utilities	2.7		2.7	2.9		2.9	3.3		3.3	
23.3	Telephone Costs	8.3	1.1	9.4	9.6		9.6	9.9		9.9	
23.3	ADP Software Leases										
23.3	ADP Hardware Lease										
23.3	Commercial Time Sharing										
23.3	Postal Fees (Other than APO Mail)										
23.3	Other Mail Service Costs										
23.3	Courier Services		0.3	0.3		0.3	0.3		0.4	0.4	
	Subtotal OC 23.3	26.1	1.4	27.5	31.3	0.3	31.6	34.7	0.4	35.1	
24.0	Printing and Reproduction	0.5	1.9	2.4	2.5		2.5	2.7		2.7	
	Subtotal OC 24.0	0.5	1.9	2.4	2.5		2.5	2.7		2.7	
25.1	Advisory and assistance services	Do not e	enter data o	n this line	Do not e	enter data on	this line	Do not e	enter data oi	n this line	
25.1	Studies, Analyses, & Evaluations										
25.1	Management & Professional Support Services										
25.1	Engineering & Technical Services										
	Subtotal OC 25.1										
25.2	Other services	Do not e	enter data o	n this line	Do not e	enter data on	this line	Do not e	enter data oi	n this line	
25.2	Office Security Guards	8.2		8.2	8.6		8.6	9.0		9.0	
25.2	Residential Security Guard Services	2.6		2.6	2.8		2.8	2.9		2.9	
25.2	Official Residential Expenses										
25.2	Representation Allowances										
25.2	Non-Federal Audits										

Org. Tit	le: HONDURAS	Overseas Mission Budgets								
Org. No	: 522	FY 2	000 Estim	ate	FY	2001 Targe	et	FY	2002 Targe	et
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations									
25.2	Insurance and Vehicle Registration Fees		0.2	0.2		0.3	0.3		0.3	0.3
25.2	Vehicle Rental									
25.2	Manpower Contracts									
25.2	Records Declassification & Other Records Services									
25.2	Recruiting activities									
25.2	Penalty Interest Payments									
25.2	Other Miscellaneous Services	0.7	3.5	4.2	4.5		4.5	4.8		4.8
25.2	Staff training contracts	2.1	1.0	3.1	3.2		3.2	3.5		3.5
25.2	ADP related contracts									
	Subtotal OC 25.2	13.6	4.7	18.3	19.1	0.3	19.4	20.2	0.3	20.5
25.3	Purchase of goods and services from Government accounts	Do not e	enter data o	n this line	Do not e	enter data o	n this line	Do not	enter data o	n this line
25.3	ICASS	8.8		8.8	9.2		9.2	9.7		9.7
25.3	All Other Services from Other Gov't. accounts									
	Subtotal OC 25.3	8.8		8.8	9.2		9.2	9.7		9.7
25.4	Operation and maintenance of facilities	Do not e	enter data o	n this line	Do not e	enter data o	n this line	Do not	enter data o	n this line
25.4	Office building Maintenance		5.4	5.4	6.1		6.1	7.0		7.0
25.4	Residential Building Maintenance		0.2	0.2	0.2		0.2	0.2		0.2
	Subtotal OC 25.4		5.6	5.6	6.3		6.3	7.2		7.2
25.6	Medical Care		0.1			0.2			0.2	
	Subtotal OC 25.6		0.1	0.1		0.2	0.2		0.2	0.2
25.7	Operation/maintenance of equipment & storage of goods		enter data o			enter data o			enter data o	n this line
25.7	ADP and telephone operation and maintenance costs	2.9		2.9	3.0		3.0	3.1		3.1
25.7	Storage Services									
25.7	Office Furniture/Equip. Repair and Maintenance		4.2	4.2	5.0		5.0	5.5		5.5
25.7	Vehicle Repair and Maintenance		2.8	2.8	3.1		3.1	3.4		3.4
25.7	Residential Furniture/Equip. Repair and Maintenance		0.1	0.1		0.1	0.1		0.1	0.1
	Subtotal OC 25.7	2.9	7.1	10.0	11.1	0.1	11.2	12.0	0.1	12.1
25.8	Subsistance & spt. of persons (by contract or Gov't.)									
	Subtotal OC 25.8									
										ļ

Org. Tit	le: HONDURAS	Overseas Mission Budgets								
Org. No	: 522	FY 2	2000 Estim	ate	FY	2001 Targ	et	FY	2002 Targ	get
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	18.9	2.4	21.3	21.4		21.4	21.4		21.4
:	Subtotal OC 26.0	18.9	2.4	21.3	21.4		21.4	21.4		21.4
31.0	Equipment	Do not	enter data o	n this line	Do not	enter data o	n this line	Do not e	enter data o	on this line
31.0	Purchase of Residential Furniture/Equip.									
31.0	Purchase of Office Furniture/Equip.									
31.0	Purchase of Vehicles									
31.0	Purchase of Printing/Graphics Equipment									
31.0	ADP Hardware purchases									
31.0	ADP Software purchases									
;	Subtotal OC 31.0									
32.0	Lands and structures	Do not	enter data o	n this line	Do not	enter data o	n this line	Do not e	enter data o	on this line
32.0	Purchase of Land & Buildings (& bldg. construction)									
32.0	Purchase of fixed equipment for buildings									
32.0	Building Renovations/Alterations - Office									
32.0	Building Renovations/Alterations - Residential									
:	Subtotal OC 32.0									
42.0	Claims and indemnities									
;	Subtotal OC 42.0									
	TOTAL BUDGET	320.1	283.1	603.2	392.4	303.9	696.3	397.0	342.3	739.3
A 44:42	nal Mandataw Information									
Addition	nal Mandatory Information Dollars Used for Local Currency Purchases	120.6			165.2			187.9		
	Exchange Rate Used in Computations	1.0	14.6		1.0	<u>15.1</u>		1.0	<u>15.6</u>	
	monande rance esca m companions	1.0	10		1.0	10.1		1.0	10.0	

^{**} If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund. On that form, OE funded deposits must equal:

Org. Ti	P P		Overseas Mission Budgets						
Org. No	p: 522	FY 2000 Estim	ate	FY	2001 Target	FY 2002 Tar	get		
OC		Dollars TF	Total	Dollars	TF Total	Dollars TF	Total		
11.1	Personnel compensation, full-time permanent	Do not enter data o	n this line	Do not	enter data on this line	Do not enter data	on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH								
	Subtotal OC 11.1								
11.3	Personnel comp other than full-time permanent	Do not enter data o	n this line	Do not	enter data on this line	Do not enter data	on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH								
	Subtotal OC 11.3								
11.5	Other personnel compensation	Do not enter data of	n this line	Do not	enter data on this line	Do not enter data	on this line		
11.5	USDH								
11.5	FNDH								
	Subtotal OC 11.5								
11.8	Special personal services payments	Do not enter data of	n this line	Do not	enter data on this line	Do not enter data	on this line		
11.8	USPSC Salaries								
11.8	FN PSC Salaries								
11.8	IPA/Details-In/PASAs/RSSAs Salaries								
	Subtotal OC 11.8								
12.1	Personnel benefits	Do not enter data of	n this line	Do not	enter data on this line	Do not enter data	on this line		
12.1	USDH benefits	Do not enter data o	n this line	Do not	enter data on this line	Do not enter data	on this line		
12.1	Educational Allowances								
12.1	Cost of Living Allowances								
12.1	Home Service Transfer Allowances								
12.1	Quarters Allowances								
12.1	Other Misc. USDH Benefits								
12.1	FNDH Benefits	Do not enter data o	n this line	Do not	enter data on this line	Do not enter data	on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH								
12.1	Other FNDH Benefits								
12.1	US PSC Benefits								
12.1	FN PSC Benefits	Do not enter data o	n this line	Do not	enter data on this line	Do not enter data	on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC								
12.1	Other FN PSC Benefits								
12.1	IPA/Detail-In/PASA/RSSA Benefits								
	Subtotal OC 12.1								
	<u>'</u>			•	ļ.	•			

Org. Title:	HONDURAS	Overseas Mission Budgets									
Org. No:	522	FY 2000 Estimate			FY	7 2001 Tar	get	FY 2002 Target			
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	
13.0	Benefits for former personnel	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data o	n this line	
13.0	FNDH	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data o	n this line	
13.0	Severance Payments for FNDH										
13.0	Other Benefits for Former Personnel - FNDH										
13.0	FN PSCs	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data o	on this line	
13.0	Severance Payments for FN PSCs										
13.0	Other Benefits for Former Personnel - FN PSCs										
Sul	btotal OC 13.0										
21.0	Travel and transportation of persons	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data o	on this line	
21.0	Training Travel										
21.0	Mandatory/Statutory Travel	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data c	on this line	
21.0	Post Assignment Travel - to field										
21.0	Assignment to Washington Travel										
21.0	Home Leave Travel										
21.0	R & R Travel										
21.0	Education Travel										
21.0	Evacuation Travel										
21.0	Retirement Travel										
21.0	Pre-Employment Invitational Travel										
21.0	Other Mandatory/Statutory Travel	ъ.		.1 * 1*	Б	1 .	.1 1 11	Б		.1 . 1.	
21.0	Operational Travel	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data c	on this line	
21.0	Site Visits - Headquarters Personnel										
21.0 21.0	Site Visits - Mission Personnel Conferences/Seminars/Meetings/Retreats										
21.0	Assessment Travel										
21.0	Impact Evaluation Travel										
21.0	Disaster Travel (to respond to specific disasters)										
21.0	Recruitment Travel										
21.0	Other Operational Travel										
	btotal OC 21.0										
22.0	Transportation of things	Do not	enter data	on this line	Do not	t enter data	on this line	Do not e	nter data c	on this line	
22.0	Post assignment freight										
22.0	Home Leave Freight										
22.0	Retirement Freight										
22.0	Transportation/Freight for Office Furniture/Equip.										

Org. Ti	tle: HONDURAS		Overseas Mission Budgets										
Org. No		FY	FY 2000 Estimate FY 2001 Target FY 2002 Target										
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total			
22.0	Transportation/Freight for Res. Furniture/Equip.												
	Subtotal OC 22.0												
23.2	Rental payments to others	Do not	enter data	on this line	Do no	t enter data	on this line	Do not	enter data	on this line			
23.2	Rental Payments to Others - Office Space												
23.2	Rental Payments to Others - Warehouse Space												
23.2	Rental Payments to Others - Residences												
	Subtotal OC 23.2												
23.3	Communications, utilities, and miscellaneous charges	Do not	enter data	on this line	Do no	t enter data	on this line	Do not	enter data	on this line			
23.3	Office Utilities												
23.3	Residential Utilities												
23.3	Telephone Costs												
23.3	ADP Software Leases												
23.3	ADP Hardware Lease												
23.3	Commercial Time Sharing												
23.3	Postal Fees (Other than APO Mail)												
23.3	Other Mail Service Costs												
23.3	Courier Services												
	Subtotal OC 23.3												
24.0	Printing and Reproduction												
	Subtotal OC 24.0												
25.1	Advisory and assistance services	Do not	enter data	on this line	Do no	t enter data	on this line	Do not	enter data	on this line			
25.1	Studies, Analyses, & Evaluations												
25.1	Management & Professional Support Services												
25.1	Engineering & Technical Services												
	Subtotal OC 25.1												
25.2	Other services	Do not	enter data	on this line	Do no	t enter data	on this line	Do not	enter data	on this line			
25.2	Office Security Guards												
25.2	Residential Security Guard Services												
25.2	Official Residential Expenses												
25.2	Representation Allowances												
25.2	Non-Federal Audits												

Org. Tit	de: HONDURAS	Overseas Mission Budgets									
Org. No: 522		FY	FY	2001 Targ	get	FY 2002 Target					
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	
25.2	Grievances/Investigations										
25.2	Insurance and Vehicle Registration Fees										
25.2	Vehicle Rental										
25.2	Manpower Contracts										
25.2	Records Declassification & Other Records Services										
25.2	Recruiting activities										
25.2	Penalty Interest Payments										
25.2	Other Miscellaneous Services										
25.2	Staff training contracts										
25.2	ADP related contracts										
	Subtotal OC 25.2										
25.3	Purchase of goods and services from Government accounts	Do not	enter data	on this line	Do not	enter data	on this line	Do not	enter data	on this line	
25.3	ICASS										
25.3	All Other Services from Other Gov't. accounts										
	Subtotal OC 25.3										
25.4	Operation and maintenance of facilities	Do not	enter data	on this line	Do not	enter data	on this line	Do not	enter data	on this line	
25.4	Office building Maintenance										
25.4	Residential Building Maintenance										
	Subtotal OC 25.4										
25.6	Medical Care										
	Subtotal OC 25.6										
25.7	Operation/maintenance of equipment & storage of goods	Do not	enter data	on this line	Do not	enter data	on this line	Do not	enter data	on this line	
25.7	ADP and telephone operation and maintenance costs										
25.7	Storage Services										
25.7	Office Furniture/Equip. Repair and Maintenance										
25.7	Vehicle Repair and Maintenance										
25.7	Residential Furniture/Equip. Repair and Maintenance										
	Subtotal OC 25.7										
25.8	Subsistance & spt. of persons (by contract or Gov't.)										
	Subtotal OC 25.8										
		I									

Org. Title	HONDURAS 522		Overseas Mission Budgets									
Org. No:		FY 2	FY 2000 Estimate			2001 Targ	get	FY	2002 Targ	et		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total		
26.0	Supplies and materials											
Sı	ubtotal OC 26.0											
31.0	Equipment	Do not	enter data	on this line	Do not	enter data o	on this line	Do not	enter data o	on this line		
31.0	Purchase of Residential Furniture/Equip.	45.0		45.0	20.0		20.0	20.0		20.0		
31.0	Purchase of Office Furniture/Equip.	20.6		20.6	15.0		15.0	15.0		15.0		
31.0	Purchase of Vehicles				25.0		25.0	25.0		25.0		
31.0	Purchase of Printing/Graphics Equipment											
31.0	ADP Hardware purchases	180.0		180.0	40.0		40.0	40.0		40.0		
31.0	ADP Software purchases											
Sı	ubtotal OC 31.0	245.6		245.6	100.0		100.0	100.0		100.0		
32.0	Lands and structures	Do not	enter data	on this line	Do not	enter data o	on this line	Do not	enter data o	on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)											
32.0	Purchase of fixed equipment for buildings											
32.0	Building Renovations/Alterations - Office											
32.0	Building Renovations/Alterations - Residential											
Sı	ubtotal OC 32.0											
42.0	Claims and indemnities											
St	ubtotal OC 42.0											
	TOTAL BUDGET	245.6		245.6	100.0		100.0	100.0		100.0		
Additiona	l Mandatory Information Dollars Used for Local Currency Purchases											
	Exchange Rate Used in Computations	<u> </u>	14.6		<u> </u>	<u>15.1</u>		<u> </u>	15.6			
	Exchange Nace Oscu in Computations	1.0	14.0		1.0	13.1		1.0	13.0			

^{**} If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

ANNEX I

ENVIRONMENTAL COMPLIANCE

22 CFR 216 Reviews

- (1) Honduras Special Objective: Critical Hurricane Reconstruction Needs Met, which included the following activities: (i) Reactivation of Economy and Agriculture through Credit and Technology (REACT); (ii) Rural Health Care Services and Water/Sanitation; (iii) Permanent Housing Developed for Dislocated Families; (iv) Educational Opportunities Improved for Hurricane-Affected Students; (v) Environmental Disaster and Mitigation Needs Addressed; and (vi) Municipal Development. An Initial Environmental Examination (IEE) was submitted, and the Environmental Threshold Decision (ETD) was a categorical exclusion, a negative determination and a positive determination, in LAC-IEE-99-035, dated August 15, 1999.
- (2) PL-480 funded Housing Construction Activity to be carried out by Catholic Relief Services (CRS). An IEE was submitted, and the ETD was a negative determination by BHR, dated December 15, 1999.
- (3) Rehabilitation, Conservation and Management of the Lower Aguan and Choluteca River Basins (River Basin) Activity, which will help protect and restore agricultural lands. An IEE was submitted, and the ETD was a categorical exclusion, a negative determination and a positive determination, in LAC-IEE-00-06, dated January 12, 2000.
- (4) Environmental Assessment (EA) on the Mission SpO Activity in Permanent Housing for Dislocated Families, and Final EA approved in LAC-EA-00-02, dated February 28, 2000.
- (5) Evaluation and Update of EAs, as mandated in LAC-IEE-99-035, for evaluating mitigation measures and environmental guidelines developed under previous EAs and their applicability to activities proposed under the Mission's Hurricance Reconstruction SpO. SOW approved by LAC BEO, October 14, 1999.

ANNEX II UPDATED RESULTS FRAMEWORK AND R4 INDICATORS

STRATEGIC OBJECTIVE 1: EXPANDED AND EQUITABLE ACCESS TO PRODUCTIVE RESOURCES AND MARKETS

- Indicator 1A: Employment in the Agricultural, Industrial and Commerce Sectors (by Gender)
- Indicator 1D: Increased Private Investment (New, see targets on page 13)
- IR1.1 Improved policy environment conducive to poverty reduction through economic growth
 - Indicator 1.1.b Increased exports of agricultural and forestry products
- IR1.2 Improved market access and competitiveness by the poor
 - Indicator 1.2.a Increased percentage of micro and small enterprises (MSEs) receiving financial services from USAID assisted entities (by gender) (New, see targets on page 13)
 - Indicator 1.2.b Portfolio at risk >30 days (New, see targets on page 14)

STRATEGIC OBJECTIVE 2: IMPROVED MANAGEMENT OF WATERSHEDS, FORESTS, AND PROTECTED AREAS

- IR2.1 Rehabilitation of Key Watersheds
- IR2.2 Improved Management of Protected Areas
 - Indicator 2.2.a Increased area under conservation programs as protected areas
 - Indicator 2.2.b Increased number of declared protected areas under improved management
- IR2.3 Development and Sharing of Information for Natural Resource Management and Disaster Preparedness
- IR2.4 Improved Execution of Proper Forest Management Practices

STRATEGIC OBJECTIVE 3: SUSTAINABLE IMPROVEMENTS IN FAMILY HEALTH

- Indicator 3E: Stabilized HIV seroprevalence in all commercial sex workers (CSW) and decreased seroprevalence in CSWs aged 15 – 19
- IR3.1 Increased use of reproductive health services, including family planning Indicator 3.1.d Increased couple-years of protection (CYP)

- IR3.2 Sustained use of child survival services via health reform and rehabilitation of facilities
 - Indicator 3.2.c Maintained coverage of more than or equal to 90 percent of children under 1 vaccinated for selected diseases: Diphtheria, Pertussis, Tetanus (DPT), Measles, and Tuberculosis (New, see targets on page 27)
 - Indicator 3.2.g Increased percentage of rural water systems operating at the "A" level
- IR3.3 Increased use of STD/AIDS prevention practices
- IR3.4 Improved household food security in Title II target areas
 - Indicator 3.4.g Increased percentage of children with adequate growth trends
- IR3.5 Increased use of Malaria, Dengue, TB prevention and control services
 - Indicator 3.5.a Confirmed cases of Malaria (New, see targets on page 29)
 - Indicator 3.5.b Increased cure rate of treated TB cases

STRATEGIC OBJECTIVE 4: STRENGTHENED RULE OF LAW AND RESPECT FOR HUMAN RIGHTS

- IR4.1 New criminal procedure code effectively implemented
 - Indicator 4.1.a New CPC passed by Legislature
 - Indicator 4.1.b Progress in Transition to CPC Implementation (New, see targets on page 34)
- IR4.2 Independent, apolitical and effective Judiciary
 - Indicator 4.2.b Number of criminal cases disposed of per judge per year (New, see targets on page 35)
- IR4.3 Independent, apolitical and effective Public Ministry
 - Indicator 4.3.a Number of cases prosecuted by the Public Ministry
 - Indicator 4.3.c Increased number of Public Ministry cases as described in 4.3.a above adjudicated by the Court
- IR4.4 Broader, more effective civil society participation in judicial reforms and monitoring
- IR4.5 Changed mind set regarding rule of law

STRATEGIC OBJECTIVE 5: MORE RESPONSIVE AND EFFECTIVE MUNICIPAL GOVERNMENTS

 Indicator 5A Average annual percentage increase in municipal income in participating municipalities (New, see targets on page 42)

- Indicator 5B Increased coverage of public services (water, sewerage, refuse collection) by municipalities
- Indicator 5C Increased average number of participants in open town meetings in participating municipalities
- Indicator 5D Increased number of small municipalities being strengthened (New, see targets on page 45)
- IR5.1 Strengthened municipal governments
- IR5.2 Improved citizen participation in local government
- IR5.3 Improved coverage of basic services and repair of damaged infrastructure
- IR5.4 Disaster mitigation and preparedness efforts undertaken

STRATEGIC OBJECTIVE 6: IMPROVED OPPORTUNITY TO OBTAIN BASIC EDUCATION AND VOCATIONAL SKILLS

- IR6.1 More Hondurans completing quality primary education
 - Indicator 6.1.a Increased number of grade levels passed this year by students in the alternative basic education delivery systems (ABEDS)
 - Indicator 6.1.b Increased percentage of enrolled students successfully passing grade levels through EDUCATODOS only
- IR6.2 More Hondurans completing quality middle school programs
- IR6.3 More Hondurans acquiring marketable skills for employment
 - Indicator 6.3.a Increased number of graduates from PVO and municipal training centers employed this year

SPECIAL OBJECTIVE: CRITICAL HURRICANE RECONSTRUCTION NEEDS MET

- IR1 Economic activity reactivated
- IR2 Environmental and disaster mitigation needs addressed
- IR3 Public health protected
- IR4 Permanent housing developed for dislocated families
- IR5 Improved local government response to citizen needs
- IR6 Educational opportunities provided for affected students
- IR7 Improved GOH reconstruction accountability and transparency

GLOSSARY OF ACRONYMS

ABEDS Alternative Basic Education Delivery Systems

AEIPI Integrated Management of Childhood Illnesses

AIN Integrated Community Child Health Program

AMHON Honduran Association of Municipalities

ASHONPLAFA Honduran Family Planning Association

BCG Bacilus of Calmette and Guerin

BCH Central Bank of Honduras

BEST Basic Education and Skills Training Project

CADERH Advisory Council for Human Resources Development

CARE Cooperative for American Relief Everywhere

CDC Centers for Disease Control

CHF Cooperative Housing Foundation

COPECO Comité Permanente de Contingencias

CP Congressional Presentation

CPC Criminal Procedure Code

CRS Catholic Relief Services

CSW Commercial Sex Workers

CYP Couple Years of Protection

DA Development Assistance

DCA Development Credit Authorization

DGEC Dirección General de Estadísticas y Censo

DOT Department of Transportation

DOTS Directly Observed Treatment – Short Course

DPT Diphtheria, Polio and Tetanus

EA Environmental Assessment

EDUCATODOS Education for All

EPA Environmental Protection Agency

ESF Economic Support Fund

ESNACIFOR National Forestry School

ETD Environmental Threshold Decision

EU European Union

EX-IM BANK Export Import Bank

EXTENSA Food Security Extension Project

FACACH Federación Autónoma de Cooperativas de Ahorro y Crédito de Honduras

FAO Food and Agriculture Organization of the United Nations

FDP Forestry Development Project

FEMA Federal Emergency Management Agency

FEREMA Maduro Foundation for Education

FFS Health Promotion Foundation

FHIA Honduran Agricultural Research Foundation

FHIS Honduran Social Investment Fund

FIA Financiera Industrial Agropecuaria

FINACOOP Finance Corporation for Agricultural Cooperatives

FINSOL Financiera Solidaria Sociedad Anonima

FOPRIDEH Federación de Organizaciones Privadas de Desarrollo

FSN Foreign Service National

FUNDEMUN Municipal Development Foundation

GAO General Accounting Office

GDP Gross Domestic Product

GIS Geographic Information System

GOH Government of Honduras

GTZ German Development Agency

HEPF Honduran Environmental Protection Fund

HG Housing Guarantee

HIPC Heavily Indebted Poor Countries

HIV/AIDS Human Infectious Virus

HOGASA Community Based Health Centers

HUD Housing and Urban Development

ICASS International Combined Support Services

ICITAP International Investigate Training Assistance Program

IDB Inter-American Development Bank

IEE Initial Environment Examination

IEF Index of Economic Freedom

IHSS Honduran Social Security Institute)

IMF International Monetary Fund

INFOP Instituto Nacional de Formación Profesional

INL International Narcotics and Law Enforcement

IOM International Organization for Migration

IRM Information Resource Management

LAC Latin American and the Caribbean Bureau

LOP Life of Project

MIS Management Information System

MMR Measles, Mumps, Rubella

MOE Ministry of Education

MOH Ministry of Health

MPP Mission Performance Plan

MSES Micro and Small Enterprises

NCSC National Center for State Courts

NGO Non-Governmental Organization

NOAA National Ocean and Atmosphere Administration

NXP Non-Expendable Property

OAS Organization of American States

OE Operating Expense

OFDA Office of Foreign Disaster Assistance

OPIC Overseas of Private Investment Council

OTI Office of Transition Initiatives

PADF PanAmerican Development Foundation

PAHO Pan American Health Organization

PASA Participating Agency Service Agreement

PM Public Ministry

PMRTN Master Plan for National Reconstruction

PODER Rural Development and Employment Generation Project

PREDISAN Preach & Heal

PROARCA Central American Regional Environmental Project

PRODIM Program for Development of Women and Children

PRSP Poverty Reduction Strategy Paper

PVO Private Voluntary Organization

RARE Rare Center for Tropical Conservation

RD Rural Development

REACT Reactivation of Economy and Agriculture through Credit and Technology

RIG Regional Inspector General

RUDO Regional Urban Development Office

SANAA National Water and Sanitation Authority

SDI Strengthening Democratic Institutions

SINAPH National System of Protected Areas of Honduras

SINEG Plan for Monitoring the Reconstruction Activities

SO Strategic Objective

SP Special Prosecutors

STD Sexually Transmitted

TA Technical Assistance

TAP Transitional Activity Proposal

TAS Environmental Health Technicians

TB Tuberculosis

TOM Operation Maintenance Technicians

UMA Municipal Environment Unit

UNAH National University

UNAT National Unit for Technical Support

UNDP United Nations Development Program

UNITEC Central American Technological University

USACE United States Army Corps of Engineers

USDA United States Department of Agriculture

USDH United States Direct Hired

USG United States Government

USGS United States Geological Survey